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18 February 1983

## WEST EUROPE REPORT

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## EX-BULGARIAN OFFICER SVREDLEV: KGB, POPE, DESTABILIZATION

Paris LIBERATION in French 11-12 Dec 82 p 4

[Interview with former Bulgarian Col Stefan Svredlev by special correspondent Annette Levy Willard in Munich; date of interview not specified]

[Text] Colonel Svredlev, a former Bulgarian secret service official who has defected to the West, explains in an interview with LIBERATION that he is certain that his former employers participated in the attempt to assassinate the pope, but that they did so on KGB [Committee for State Security] orders.

Meeting a former official of the Bulgarian secret service is not an everyday occurrence. Col Stefan Svredlev looks the part so much that you might think he had stepped out of a bad American film about Eastern spies. As a high officer in the Bulgarian service, he participated in all strategic meetings of Warsaw Pact allies. He himself prepared various plans for combating the regime's enemies, both inside and outside Bulgarian borders. He also drew up the program of repression in the event of a serious crisis, listing the persons to be interned, region by region, if a state of emergency were declared.

After years at the top of the repressive Bulgarian system's pyramid, he crossed the Greek border nearly 3 years ago, saluting with dignity his own liaison agent, who did not find anything unusual in seeing the colonel and his family in an army jeep. He has since headed the list of "enemies" of the Bulgarian Government, which became famous in 1978 for assassinations of its dissident emigres, usually by means of poison-tipped umbrellas. The colonel lives in fear, as does the entire colony of Bulgarians who have taken refuge in the FRG. Fear of umbrellas, but especially the fear of exposing remaining family members in Bulgaria. For since the accusation of Bulgarian officials in the plot to assassinate the pope, it is known that the Bulgarian secret service is hard pressed and that it will not tolerate the slightest attempt to escape.

Colonel Svredlev now lives in Munich.

[Question] Were you surprised to learn that the Bulgarian secret service probably played an active, if not decisive, role in the attempt to assassinate the pope in Rome on 13 May 1981?

[Answer] I don't doubt for an instant the role of the Bulgarian secret service in that attempt. But if it did participate, it was not on its own initiative. As much as the Bulgarian secret service can operate independently in its own sector, i.e., mainly in Bulgaria and the Balkans, when it is a matter of international operations, it only follows the directives of the Russian KGB.

As for the attempt to assassinate the pope, the Russians were well able to use Bulgarian agents without even going through the whole hierarchy of the Bulgarian secret service. It is possible that officials of the government and the Bulgarian secret service were not even informed of this plan. It is conceivable that Zhivkov himself knew nothing about it.

[Question] Specifically, how could that have happened?

[Answer] When I was in the Bulgarian service, we had a group of Russian KGB officers in each of our departments. They were there as "advisers." In reality, they were there as leaders. These groups of advisers were headed by a chief who remained in direct contact with the Kremlin. Particularly in the case of that famous sector of the secret service with the mission of "repression against domestic and foreign enemies." That was a real terrorist group. We also had KGB officers as such, but also other Russians and some Bulgarians who were secretly subordinate to the KGB while holding other positions.

[Question] Why would the KGB always use Bulgarians to do the "dirty work"?

[Answer] First of all, the Bulgarians have a long tradition of terrorist activities. Since 1947, the Bulgarian secret service had been launching operations within the territories of neighboring states. They began by training Yugoslav terrorists during the 1948-54 period, then Greek terrorists until 1974. Beginning in 1963, there were training camps in Bulgaria to provide instruction in carrying out assassinations, in using explosives, in using secret codes. Today, there are no more of these mass training camps in Bulgaria; only "terrorist" cadres go there to take training courses, in small groups. But Bulgarians serve as instructors in camps abroad.

Besides this "technical know-how," the Russians prefer to use the Bulgarians for political reasons: they are the most reliable, the most servile.

[Question] If the Bulgarian secret service is the armed fist of Moscow, how are decisions made? Who could thus decide, one day, to kill the pope?

[Answer] That is not a case of an attempt to assassinate a Bulgarian emigre abroad. It is much more serious. Such a decision could not have been made merely at the level of the KGB leadership.

Concerning the attempt to assassinate the pope, I think that Andropov could have launched that operation only if Brezhnev himself made the decision. It was the Politburo, thus Brezhnev and two or three members of the Soviet Government, who could have decided to kill the pope. Andropov had to direct the execution.

[Question] The KGB's trail is often picked up in assassination attempts in Europe. The usual explanation is: "The Russians want to destabilize Western Europe." What is the purpose of these assassination attempts?

[Answer] Destabilization is the only method of attacking a democratic society that is functioning normally. The countries are then forced to react to the assassination attempts, they have to invest money in antiterrorist campaigns, and they are forced to harden their social systems.

But destabilization also implies another tactic. It involves compromising both left-wing and right-wing political groups, undermining the political systems. For example, some guy is taken from the Red Brigades, or a pro-Chinese group; he is made a leader and is manipulated. Thus one of the Turks who is wanted, Sedar Celesi, was placed in the Grey Wolves, a far-right organization, by the Russians with the purpose of compromising the Grey Wolves. It is a matter of compromising any organization whose aims are anti-Soviet.

During this period, the KGB stays out of sight and the Russians are never implicated in the eyes of international public opinion.

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CSO: 3519/257

## MUMCU ON TURKISH-BULGARIAN DRUG, ARMS, TERROR LINK

Paris LIBERATION in French 11-12 Dec 82 p 3

[Interview with HURRIYET journalist Ugur Mumcu by telephone; date and place not specified]

[Text] In his interview with LIBERATION, Turkish journalist Ugur Mumcu, who has denounced Bulgaria's machinations for years, explicitly describes the ties between the Bulgarian Government, the Turkish mafia and the arms traffic.

Ugur Mumcu was named Journalist of the Year in Turkey in 1981 for his book, "La terreur et le trafic d'armes" [Terror and the Arms Traffic], in which he denounced, to the whole world, Bulgaria's part in the attempted assassination of the pope. In his newspaper HURRIYET, where he has worked since 1975, he constantly denounces Bulgaria, a "smuggler state" that conceals heroin and arms trafficking. In an interview with LIBERATION, conducted by telephone, he explicitly details his accusations.

[Question] Concerning the attempt to assassinate the pope, an arrest warrant was issued by the Italian police for a Turk, Bekir Celenk, who apparently played a key role in that affair. Who is this man?

[Answer] Let us make it clear, first of all, that this man is an important smuggler in the Turkish mafia. He was born in Kilis, in the southeastern part of Anatolia. He married an Armenian woman and settled in Switzerland. He is one of the partners of the Vialux company, which specializes in armaments. He also owns the Henro Shipping Company in London. His fleet flies the Panamanian flag.

His name appears in most of the files compiled by Turkish police on smuggling activities. I denounced his collusion in 1979 in my articles on arms trafficking, when he was in Turkey. After the coup d'etat of 12 September 1980, he fled from Turkey. Despite the announcement that he was wanted by the Turkish Government, he chose to remain abroad and forfeited his Turkish citizenship.

Immediately after his escape, he was discovered in Bulgaria at the Hotel Vitosa in Sofia. His passport bore the name of Necati Celik. He also goes by the name of Kenter Albayrak, actually the identity of a heroin trafficker,



a "coincidence" that would tend to suggest that they are part of the same organization.

His partner and friend, Armenian businessman Samir Aris, manages the Hotel Nova in Zurich. His boss, Henry Aslanian, was recently arrested in Italy during an operation against the mafia. All of these individuals are linked to Bulgaria, through which the arms traffic to Turkey is routed. For example, the traffic in rocket launchers, shipped by the Bulgarian state-owned import-export company, Kintex, on the Cypriot vessel "Vasula," stopped by Turkish authorities in 1977.

[Question] Can you describe explicitly the activities of the Bulgarian Kintex company?

[Answer] It is a company located in Sofia on Anton Ivanov Avenue. It was established in 1965 and works with another state-owned company: Interkommers. It provides for the transit of arms from various European markets in cooperation with its Turkish affiliate, Transport Balkan, in which there are former right-wing Turkish politicians known for their anticommunism. A strange joint operation for a socialist country.

[Question] Is there a link between Bekir Celenk and Mehmet Ali Agca, the man who tried to assassinate John Paul II?

[Answer] They were together in July 1980 in the same hotel, Hotel Vitosa in Sofia. I was the first to reveal this coincidence. This fact was confirmed by Agca 3 months later.

We should also note their ties with the far-right Turkish MHP party (Nationalist Action Party). It was Omer Marsan, a far-right militant who himself carried Agca's false passport to the Hotel Vitosa. Another member of that party, Musa Serdar Celebi, was arrested in the FRG in connection with the attempt to assassinate the pope, while Oral Celik is still wanted and is probably now in the FRG. It is probably this militant who played the role of organizer in that affair, in which Agca was probably just carrying out orders.

[Question] What is Bulgaria's role?

[Answer] Sofia is at the heart of every Turkish file on smuggling. In my book, "La terreur et le trafic d'armes," I gave all the details about this traffic. The boats carrying the smuggled arms come from the Bulgarian ports of Varna and Burgas. These arms, most of them purchased in NATO countries, are curiously routed to Turkey through a Warsaw Pact country! In exchange, Turkey supplies the heroin destined for the Western market, via Bulgaria.

Anhydrous acid, needed to produce heroin, is impossible to find in Turkey. It is manufactured only in four countries: the United States, France, Japan and the FRG. It is also routed through Bulgaria to Turkey. All of that provides a profitable trade for the Bulgarian Government!



The far-right MHP party is also involved in this traffic. A senator belonging to this party was arrested in Marseille in 1969 with several kilograms of heroin, like Halit Kahraman, a former Islamic Party (MSP) representative, now in prison in the FRG.

[Question] How much would this traffic amount to?

[Answer] The amount of arms brought into Turkey in exchange for heroin is enormous. From 1975 to 1980, the profit from arms was estimated at 1.2 billion francs. Turkish authorities confiscated 8,000 rifles and 21,000 pistols between December 1978 and September 1980. Since the coup d'etat of 12 September 1980 to 11 September 1981, such confiscation amounted to 49,000 rifles and 526,000 pistols. Most of these weapons were shipped through Bulgaria, to then be distributed in Turkish terrorist organizations, of both the far right and the far left.

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## CELENK ACTIVITIES; BULGARIAN, AGCA LINKS DETAILED

Paris LIBERATION in French 11-12 Dec 82 p 2

[Article by A.V.: "Rome: All Roads Lead to Sofia"]

[Text] The attempted assassination of the pope, arms and drug trafficking, contacts with the BR [Red Brigades]: just as many Turkish-Bulgarian trails. Italian judges are accusing Sofia. Bulgaria finally decided on Thursday to arrest Bechir Celenk, a Turkish mafiagodfather and the supposed silent partner in the plot against John Paul II. The "Bulgarian trail" was confirmed on Thursday by Bulgarian authorities themselves. In arresting in the best hotel in Sofia a Turkish gangster who lived there in comfort and luxury, Bulgarian police belatedly complied with an Interpol warrant. They were responding above all to the scandal which hit when Italian judges broke the secret: very special agents of the Bulgarian Socialist Republic put a weapon in the hands of the pope's would-be, clumsy assassin and a big wad of money in his pocket. Ali Agca was too quickly assumed to be a wild psychopath of Islamic fundamentalism, a version of Turkish fascism. This black wolf among gray wolves quickly exchanged the Koran and pan-Turkism for money from para-Soviet secret services. All clues on the trail of the pope's would-be assassins lead to the Bulgarian secret service, elder cousins of the Russian KGB [Committee for State Security]. A bizarre but definite camaraderie exists between the Bulgarian spy organization and Turkish fascism: The Turkish mafia thrives as a result of the self-seeking collusion of Sofia's dictators. Heroin and arms traffic goes through Bulgaria, as do some of its customers. Ali Agca's admissions do not constitute proof, especially since it was belatedly reconveyed by the Roman courts. But the least paranoid citizens on this side of the Iron Curtain are definitely justified in feeling a new chill of fear: the spies of the East and the dealers of slow death are very likely big pals.

There are no longer any relations between Bulgaria and Italy. Sofia has recalled its ambassador to Italy for consultation, while Rome plans to do the same. For the time being, only the Holy See is keeping a low profile in this controversy. It is not yet a war, but this time it certainly seems that the Italians are at the end of their rope with the Bulgarians, who are implicated in no less than three affairs: the attempted assassination of the pope, arms and drug trafficking from Milan to the Middle East via Bulgaria, and the arrest of an official of the UIL [Italian Union of Labor] (the Italian FO [Workers Force]). In each of these instances, the same persons are involved.

On one hand, there are three Bulgarian officials who reside or have resided in Italy: Mr Sergei Antonov Ivanov, a Balkanair employee, arrested on 25 November for "actively aiding" the attempted assassination of the pope; Mr Todor Ayvasov, the bursar of the Bulgarian Embassy in the Italian capital, and Adjutant Jelio Vasilev, whose arrest warrants have been issued by the public prosecutor in Rome for their role in the assassination attempt, which took place in Saint Peter's Square on 13 May 1981, but who have since returned to Bulgaria. The fourth figure at the heart of these three investigations, Bechir Celenk, a Turkish mafia godfather and smuggler who is wanted both for having paid Ali Agca 3 million marks in Sofia during the summer of 1980 to assassinate the pope and for his role in arms trafficking originating in Milan, was arrested in Sofia on 9 December. This was a belated gesture by Bulgarian authorities, since this strange individual (see below), who is also accused by the Soviet daily IZVESTIA of being a CIA agent, had apparently been able to come and go calmly in Bulgaria since he fled from Turkey in September 1980 after the military coup d'etat. As though to confirm a link between these three investigations, the judges assigned to these cases--Illario Martella (assassination attempt against the pope), Ferdinando Imposimato (affair of UIL trade unionist Luigi Scricciolo) and Luigi Palermo (arms and drug trafficking) --met in Rome on Tuesday to examine the situation.

For 2 days, the content of the testimony given by Ali Agca to the public prosecutor had begun to "leak out." According to the accusations of the man who shot the pope, Bulgarian officials Antonov and Ayvasov accompanied him on two successive days to Saint Peter's Square to work out the details of the assassination plot. On 13 May, they allegedly again took him to the site after stopping to pick up a valise containing the weapons to be used in the attempt. Agca was reportedly able to provide a detailed description of the apartments of the two Bulgarian nations. The judges affirm that they also have other evidence that would confirm the statements of this witness for the prosecution.

Another new development in these investigations implicating Bulgarian secret services: The UIL trade unionist, Luigi Scricciolo, arrested in February on the strength of the testimony of two terrorists who "repented" for having arranged contacts between the Red Brigades and the Bulgarian Embassy, in particular during the abduction of U.S. General James Lee Dozier, finally confessed. He admitted having used his position as an official of the UIL's international division and its numerous contacts with Solidarity trade union leaders to give information to the Bulgarian Embassy, with which he had been in touch since the mid-1970's, the victim of blackmail after negotiating a financial "gift" from Sofia to the far-left Proletarian Democratic Party.

During the Dozier affair, the Bulgarian Embassy, through its intermediary, allegedly contacted the BR, offering them arms, money and logistic support in exchange for information about the content of the interrogations of the "prisoner." Even at that time, Mr Ayvasov's name had often been mentioned as the trade unionist's "contact."

In the third case, arms trafficking, there was wonder about the amazing ease with which large quantities of materiel, including tanks and cannons, were able to be moved through Bulgaria. In return, large amounts of drugs "refined" in Turkey reached Europe by the same channels. The "godfather" of this traffic was Bechir Celenk, linked to a Syrian of Armenian descent, Henri Arslan, who has been arrested by the Israeli courts.

#### Celenk, "Godfather of Terror"

Arrested by Bulgarian police in Sofia, Bechir Celenk appears to be a key figure in the preparations for the attempt to assassinate the pope on 13 May 1981. A leading figure in the Turkish mafia, Celenk is considered by Turkish secret services to be the brains of arms and drug smuggling, while the Turkish press calls him the "godfather of terror."

Celenk's career is directly linked to the rise of the terrorism that ravaged Turkey between 1976 and 1980. The small-time trafficker from Kilis very quickly became the Turkish mafia's number-one smuggler, specializing in arms traffic. From a poor family, Celenk was born in Kilis, a small Anatolian city on the Syrian border. After his apprenticeship in that city, which is the center of smuggling between Turkey and the Middle East, Celenk's dizzying rise within the Turkish mafia began in Istanbul. With the Ugurlu family, the largest heroin trafficker in the country, he dealt with Bulgaria, which became the hub of the arms and heroin traffic. Starting in 1976, Bulgaria had already become the "base" of Turkish mafia godfathers, who had their own private villa in Bulgaria on the edge of the Black Sea and frequented the Hotel Vitosa in Sofia to make their deals there. Most of them used a Bulgarian passport.

Celenk was the Turkish mafia's contact abroad, particularly in Italy, where he served as a liaison between the Turkish and Italian mafias, all under the patronage of the Bulgarian secret service.

He owns companies in London and Zurich and deals with the Bulgarian Kintex company, a state-owned import-export enterprise. To assure the arms traffic to Turkey more effectively, he bought two boats, one of which was beached on the island of Majorca in 1980.

Sometime before the coup d'etat of the Turkish generals on 12 September 1980, he took refuge abroad and thus eluded the warrant for his arrest, issued by the authorities. A reporter from the sensationalist Turkish daily HURRIYET discovered him in Sofia, in the general vicinity of the Hotel Vitosa. Celenk granted an interview and the reporter was attacked by two Turkish nationals the next morning. A few months later, another HURRIYET reporter located him in London. Celenk stated, after rejecting all accusations against him, that he was a "honest businessman." This did not prevent him from being stripped of his citizenship quite recently.

## BLAME FOR KIDNAPPING ON ETApM, DESPITE DENIAL

Madrid EL PAIS in Spanish 18 Jan 83 p 12

[Article by Jose Luis Barberia]

[Text] San Sebastian--The release of Miguel Ignacio Echeverria and the statements made to the media by members of his family have not made it possible to identify his kidnappers, who almost certainly have now collected the 161 million demanded as a ransom. The two possibilities contemplated as the authors of this action by informants and also those in the forefront of the majority opinion in the Basque territory are the ETA [Basque Fatherland and Liberty Group] (Political and Military) VIII Assembly, first of all, and a gang of common criminals, secondly.

Whichever the case, it seems clear that those who planned this action were the beneficiaries of a climate of thinking pointing to a radical swing in the conduct of the ETApM VIII Assembly, following the failure the release of businessman Saturnino Orbegozo represented for that organization. The terrorist organization is now denying any role in the kidnapping.

The radicalization of the VIII Assembly members was already visible at the time of the kidnapping of the businessman Zumarraga, when that armed organization adopted the decision, which it later acknowledged, to end the life of the kidnap victim, after having negotiated over a period of a month with members of his family.

The collapse of the commando unit which held the industrialist captive caused still further panic for the members of this group, who are currently being plagued by a lack of economic resources, and it is within this context that the kidnapping of Miguel Ignacio Echeverria occurred.

The members of his family understood from the very first day that the life of the young man was truly in danger. They collected the money, publicly announced that they were prepared to do everything possible to obtain the release of the kidnap victim, and took great care to withhold from the press or the police any information they believed might possibly threaten the settlement of the matter.

The reaction of the Basque people and the political parties was also one of belief in the threat, and within the short span of one week, demonstrations, shutdowns and other actions occurred in protest against the kidnapping, which for the first time succeeded in mobilizing one sector of the young people.

The conditions set by the kidnappers, who would allow no intermediaries, negotiations or reduction in the ransom sum, apart from still further dramatizing the case, might represent a response by the ETAp VIII Assembly--presuming acknowledgment by that organization of responsibility--to the measures recently announced by the Ministry of the Interior prohibiting the payment of money to terrorist organizations.

#### Harsh Tactics

To the announcement of these measures, including prosecution of intermediaries and penalties for payments, the VIII Assembly members may have responded by eliminating any negotiations and simplifying contact with family members as much as possible, relying on a threat of death which they would probably be prepared to carry out, if only as an example for the families of possible future kidnap victims.

Some sources say that both the kidnapping of Orbegozo and that of young Echeverria were already planned months ago, and that the ETAp VIII Assembly will continue to pursue its campaign to collect funds via this means in the coming weeks.

If, as has been said in some circles, Miguel Echeverria was kidnapped by common criminals, it is obvious that they are experienced and quite sophisticated in the techniques of such actions. It now seems to have been confirmed that it was the real kidnappers themselves who volunteered some of the false clues which caused the Echeverria family confusion and perplexity. In any case, this presumed group of common criminals would have to have a certain infrastructure in the Basque territory and a readiness to take on the sizeable contingents making up the security forces in the Basque territory.

#### Denial

The hypothesis attributing the kidnapping to common criminals was suggested by the ETAp VIII Assembly in a communique, and it was taken up by Luis Maria Retolaza and Eli Galdos, officials of the Basque government's interior council, who made certain statements practically excluding the possibility of the involvement of any of the branches of the ETA. These statements were made during the days when the Echeverria family was pursuing the trail of the ordinary criminals who tried to seize the ransom money in Zaragoza, but the picture was later altered by a note to the council stating that the ETA might also have been behind this kidnapping. Yesterday, spokesmen for the Basque socialists, the UCD [Democratic Center Union], PSOE [Spanish Socialist Workers Party] and PNV [Basque Nationalist Party] agreed in assigning responsibility for the kidnapping to VIII Assembly members, in view of the infrastructure evidenced by the fact that the young man was held prisoner in two different places, among other things.



For the second time, the ETApM denied yesterday any involvement in the kidnapping of Miguel Echeverria, Tonia Etxarri reported. In a statement dated the day before the release of the young man, members of the ETApM gave assurance that their organization "had nothing to do with this action," while at the same time specifying that "the only contact with a representative of this family was for the purpose of making it known that no branch of the ETA was involved."

The terrorist organization, suspected by government circles to date of involvement in the kidnapping, criticized the central government, the minister of interior and such Basque parties as Euskadiko Ezkerra in harsh and accusing terms yesterday, charging that they are mainly responsible for the existence of the rumors which have recently circulated about the possible definite participation of the ETApM in the last kidnapping.

They also focused criticism on former members of the ETApM, who in the end abandoned the armed struggle, saying of them that they now have "an attitude of coexistence with the repressive and anti-Basque forces."

5157

CSO: 3548/103

## GAS OFFICIAL SEES POSSIBLE IMPORTS FROM USSR VIA PIPELINE

Stockholm DAGENS NYHETER in Swedish 20 Dec 82 p 14

[Text] Sweden can start importing natural gas from the Soviet Union as early as 1987. A pipeline from Norway, on the other hand, cannot be ready before 1995.

That is what the TT [Press Wire Service, Inc] has been told by Owe Carlsson, managing director of Swedegas. The discussions concerning gas deliveries from the Soviet Union were discontinued for nearly 2 years, but they have now been resumed since the new government came to power.

The state-owned Swedegas recently held discussions with SOYUZGASEXPORT concerning future gas deliveries.

Carlsson says: "The Soviet Union is interested in selling gas."

But much remains to be done before there can be any deliveries.

"First, we have to conduct market surveys in eastern Sweden. We do not know at present how much interest in gas exists. So it will take at least a year before we can begin real talks with the Soviet Union."

According to earlier plans, the gas would be piped by way of Finland and across the southern part of the Gulf of Bothnia to Gavle. From there, one pipeline would run north to the Sundsvall area, and another would go south to Stockholm and the Malar Valley area.

Gas pipelines currently reach as far as Imatra in southeastern Finland. Finland now wants to increase its gas imports from the Soviet Union and extend a pipeline to the Helsinki area.

Sweden will start receiving gas from Denmark in 1985. The so-called Southern Gas Project will supply the country with about 500 million cubic meters of gas per year for 20 years.

Previous estimates showed that a gas pipeline from Finland to Sweden would cost about 1 billion kronor, an investment that is currently considered relatively cheap.



Carlsson believes that to make gas imports from the Soviet Union profitable, Sweden must count on importing nearly 1 billion cubic meters per year.

The cost of building a gas pipeline from Norway through Sweden has been estimated at 20 billion kronor. This pipeline would not be completed until 1995 at the earliest.

But it is uncertain whether the plans will be carried out. For example, it is not yet known whether there is enough gas.

11798

CSO: 3650/81

## DIFFICULTIES SEEN IN PROPOSED REGIONALIZATION OF INDUSTRY

Zurich NEUE ZUERCHER ZEITUNG in German 22 Jan 83 p 18

/Report by T.H., datelined Brussels, 19 January: "Flemish-Walloon Disputes About Belgium's 'Nationalized' Industries"/

/Text/ The debate in Belgium on the regionalization of the so-called nationalized industries is getting steadily more intense. The following are the sectors predominantly owned by the state or dependent on government support for their continued existence: The steel industry, hard coal mining, the textile industry, shipbuilding and the glass packaging industry. Fearing undue political dissension, the Martens Government wished to avoid any debate on the handing over of responsibility for the sectors listed to the Flemish and Walloon regional governments. Now, however, it has announced the forthcoming submission of the respective plans. In the coming weeks these are to be reviewed together with the regional administrations.

That was the price paid for the Flemish Christian Democrats' approval of the latest subsidies to the Walloon steel corporation Cockerill-Sambre. At the same time the fraction of the Flemish Christian People's Party introduced a legislative draft in parliament, that provides for regionalization. The notions so far presented with regard to the actual aims of regionalization tend to arouse the impression that this matter was handled with undue haste. On the one hand the proposed legislation aims to transfer to the regions all legislation regarding economic encouragements; on the other it is designed to deprive the central government of competence for the five national sectors. It includes no ideas about financing these economic sectors nor any clear provisions with regard to the institutions that are to sustain a regionalized economic policy. It is also quite odd that the proposals are confined entirely to economic sectors without much of a future.

Since 1979 the financial obligations accepted by the state in the five sectors have amounted to roughly 175 billion Belgian francs for Flanders and 129 billion Belgian francs for Wallonia. The difference in appropriations for the two parts of the country is very pronounced. In Flanders more than a third of the total amount was allocated to hard coal, about 25 percent to steel and the remainder to shipbuilding and the textile industry. In Wallonia 90 percent of the subsidies benefited the steel industry. When we recall the fact that Flanders' share in the Belgian tax yield and the gross national product is greater than its participation in state aid to the ailing sectors, the suspicion is bound to arise that the Flemish politicians are really concerned with one issue only: They would like to get rid of any responsibility for Wallonia's steel industry. They try to justify this by claiming that

steel workers are clinging to unprofitable jobs. That, though, contradicts the fact that, between 1974 and 1981, employment in the Walloon steel industry declined by 20,000 to 38,000. In the same period of time the Flemish steel industry actually increased its labor force (albeit only slightly) to 7,300.

Even more important than the discrepancies in the explanation of the weakness of the Walloon economy is the fact that the proponents of economic dismemberment are evidently unaware of the consequences of a complete separation from their bothersome Walloon brethren. Should Cockerill-Sambre, for example, collapse because the Walloon regional state does not have the financial strength required for its continuing support, Flemish business would be the first to be affected by the regional cave-in in Wallonia. After all, that region is its most important market. Another aspect is the question of the capacity of a regionalized industrial policy. Unless no more than responsibility for the industrial past is to be handed over to the regional governments, it will be necessary also to allocate competences for the build-up of promising new industries. It is highly doubtful whether Flanders alone has sufficient stature in this field to keep pace with international standards.

In general people in Belgium do not yet seem to appreciate that the termination of national cooperation in the industrial problem sectors is bound to result in a long drawn out divorce of all economic sectors. Considering no more than the credit-worthiness of free Belgian part structures, the consequences of such a divorce must necessarily place an undue strain on both halves of the country.

11698

CSO: 3620/182

## EYSKENS ON STEEL INDUSTRY, ECONOMIC REGIONALIZATION

Brussels KNACK in Dutch 5 Jan 83 pp 27-29

[Interview by correspondent with Marc Eyskens, Belgian Minister of Economic Affairs: "Mutual Hostage Taking"; date and place not given]

[Text] [Question] Is this now the worst period in your political career? Is this the most difficult situation since the war in Belgian politics?

[Answer] This is so difficult and dangerous because it is closely linked with the communities. It involves no less than the economic survival of a whole region. If you make a desert of that, in a country of two regions, it is an extremely destabilizing factor. They have been painful weeks for me personally, because I do not like conflicts. I now have to take a firm stand in this situation, I have met with a certain degree of lack of understanding in Wallonia. From the minute that you have to deal with a Flemish minister, you soon realize that he certainly must be blind to Walloon interests.

My predecessor, Willy Claes, also had difficulty with that ingrained suspicion. Moreover, you always face the question what the uncontrollable chain reaction will be, if the problem is not solved. It is full of fuses and sparks which all lead to the powder magazine. Even if I am not overly sensitive to the element of blackmail which I surely must be on the lookout for, whether Belgium will yet blow up, for we have heard that for 50 years, I still feel the question is very critical.

I think that Cockerill-Sambre is worse than the Louvain affair. That was sentimental, emotional, exciting. Now it involves economic interest, with a social content. A worker is a worker, whether he is Walloon or Flemish. A number of things have gone awry in that enterprise, as is the case, most times, in enterprises in difficulty. The private sector had withdrawn, the

state stepped in with seven league boots. We in the government are not steelmakers, we had to delegate management. But if things go wrong, the responsibility always comes back to us.

[Question] Is the Cockerill-Sambre problem still solvable anyway?

[Answer] I will answer in a roundabout way. It appears inconceivable to me that none of the steel industry would still remain in Wallonia. I think it is possible to preserve desirable units of the industry, such as Carlam, Valfil, the continuous foundry in Chertal, the chain-foundry in Charleroi. Unfortunately Cockerill and Hainaut-Sambre were managed too vigorously and too long by engineers, who only had an eye on technical performance. This industry was created from the bottom up in the early days of the industrial revolution, when marketing was no problem.

[Question] Cockerill dates from 1817, with the first blast furnace on the continent. Several years later Belgium appeared and John Cockerill produced the first locomotive on the continent. If Cockerill, which was the most modern enterprise in the world for a century, now disappears, does Belgium then continue?

[Answer] Belgium will perhaps continue because there is no alternative. However, the state reorganization has not finished, the laws of 8 and 9 August have become a dynamic process. Such a situation now leads to the rapids. I have never been a strong federalist in principle. There are hidden dangers in formulas which grimly approach the economic problem. But, on the other hand, I realize every day how very much those situations burden and impair government work. After 2 months of skirmishes, we had to again work a week with a half dozen ministers on a decision of one and a half pages.

That has made me recognize that those matters must be taken away from the national government. We must take into account several facts. There is a strong reaction in the Flemish area, where it is believed rather unanimously that the financing limit has been reached. In principle, I am a supporter of solidarity. That is an elementary Christian duty. In Europe we stand by Sicily, southern Italy, the Irish and all depressed areas.

Why should we not stand by Wallonia? But where is the standard? You must begin to count there. There is already a lot of solidarity in the national budget, just think of social security. Perhaps we can organize the Belgian household more efficiently by giving more financial responsibility to the regions.

[Question] In that complex of good and bad parts, what are the good parts worth? How much Walloon steel industry remains?

[Answer] The good parts are especially in the plate products, a good 40 percent of the whole. With which, I again have not meant to say that I do not want to save any of the bar products. The good parts exist, that is all of the reconversion downstream, of the production of more processed steel products. There you came into the no-man's-land between the steel industry and metal-working industry, where Phenix Works and Cockerill-Mecanique, properly speaking, already are. A good industrial concept would consist of letting the steel industry itself move away, downstream to reworking and processing.

[Question] According to you, there is still life in the approximately half of what remains at Cockerill-Sambre to smoke and steam?

[Answer] I cannot anticipate the Gandois report. We have considered a number of scenarios on the government level, of which the two line models went the furthest: with two steel plants instead of the four which now operate there. A steel plant is naturally 3,500 to 4,000 men. Then you face at the same time the question what you do in the final stage, which is the stage of the rolling mills. And then the Walloons say, and I agree with them, that because the steel plant and everything upstream is being dismantled, it is not necessary to close the rolling mills at the same time.

There you must then negotiate international cooperative agreements, in which other steel producers let us process their products. That is the problem of Seraing, Valfil. If you close the steel plant upstream which supplies the raw material for Valfil, then the supermodern plant comes, standing there like a prehistoric menhir in the industrial landscape. But if the question is whether Cockerill-Sambre is salvageable, I answer that I think large sections still are.

[Question] Several weeks ago PS chairman, Guy Spitaels, said on television that he only demanded the execution of the plan, only of the plan, and all Wallonia applauded. A month later Marc Eyskens and the CVP [Social Christian Party] said precisely the same thing, and Wallonia, upset, complained about the violation of national solidarity.

[Answer] The CVP has drawn up the plan and only the plan, but added to that with transfer of the allotments, a maximum financial responsibility for the regions must be considered.



[Question] But how has Marc Eyskens become the special pivotal figure in that? Flanders is reported to look up to him. Was there an Eyskens controversy, or was there not? If so, what was their position then?

[Answer] Because I now happen to be in charge of this matter as minister of economic affairs, I had to initiate discussions with colleagues. Even though I acted in a great spirit of solidarity, that has not altered the fact that I had to take positions which diametrically opposed some colleagues in the cabinet.

[Question] The hope was expressed that Marc Eyskens would stand firm. Was that exaggerated?

[Answer] I think that the government has now made a good decision and that the largest Flemish party can congratulate itself on that. You should not overpoliticize the situation, it involves people in the long run. I definitely would not take the extreme political approach with those circumstances, but you cannot eliminate all political factors. I thought that the CVP took a good position.

[Question] However the demanding and intolerant Fleming, who keeps you on your toes, does not get with this decision the reduction to two lines. The substantial, drastic restriction of the durable Cockerill-Sambre has not taken place before the new year. It is now a matter of waiting on Gandois. Nor has he yet obtained the social sanction either, that becomes an agreement for next month. And regarding regionalization only the intention was expressed to ask the regional officials for a consensus, in order to regionalize the balance of the problem.

[Answer] But what more can we as a government do than ask of the enterprise 10 percent delivery on top of the general wage reduction, and set a date in connection with that? In May 1981 we were still working with an arrangement of Willy Claes of 8 million tons, with only a reference to 6 million tons in a footnote. A year later we had the Vandestruck plan, and now there comes Gandois in 3 months.

You usually cannot improvise such an industrial plan. Such a steel enterprise is vertically integrated. That is a rosary, where you cannot remove even a bead, without the whole chain being affected. I consider what we have done good and important because Cockerill-Sambre usually will be treated in the future like all other businesses in trouble. They must now also make an effort themselves. They already made an effort with bridge pensions and the like, but in view of the colossal loss, they must make still further efforts.

As a government, we cannot go any further as a first step, than that overture to the regional officials, whom we ask to consider their responsibility. We cannot just decide on and carry out regionalization, as the Peoples Union demagogically exhorts us to do. We still live in a government of laws, we must remain within the legal framework. We can only regionalize the sectors by means of a legal change with a double majority or through a Royal Decree after a consensus of the regions.

The Flemish Achilles heel awaits it in this connection in the Kempenland coal mines and in the shipyards. There they threaten to go outside the allocations. We are mutually hostage to each other in Belgium with mutual overstepping of allocations. I hope that this actual state of affairs even facilitates the dialogue, in order to reach a good solution for regionalization or divided solidarity.

8490  
CSO: 3614/42



## DGB TO SEEK CONTACT WITH ENVIRONMENTALISTS, REJECT GROWTH POLICY

## Environmental Movement

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 27 Dec 82 p 1

[Article by Roland Bunzenthall: "DGB Harbors Green Thoughts--Labor Union Institute Gives Thought to Environmental Movement"]

[Text] Frankfurt/Main. 26 December--The forthcoming issue of WSI-MITTEILUNGEN will attempt to fill in the political trenches separating the labor unions and the environmental movement. In it, the DGB's economic and Social Sciences Institute (WSI) is trying to establish common interests and points of departure for cooperation between the unions and the ecologists. Among the proposals offered in this connection is the establishment of regional working panels composed of representatives of industrial workers and ecologists. The authors think that the outlook of activists in both the unions and the environmental movement is still "based on adversary considerations," but that changes are taking place on both sides. In this connection, the controversial nuclear energy question is apparently being increasingly joined by such other areas as chemicals, heavy metals, drinking water supply and nutrition. The anti-nuclear-weapon movement thus appears to be on the way to becoming a true environmental movement.

On the side of the environmentalists, the authors appear to discern mainly commonalities with the Federated Environmental Citizens Initiatives (BBU) and its "Catalogue of Demands for an Ecological Plan in the FRG." Further, the WSI identifies "objective points of departure" for agreement and joint action between the Freiburg Ecological Institute and the unions. On the other hand, the authors state that not all wings of the Green Party can be "judged by the same standards."

In addition, the WSI points to contradictory positions within the labor unions, citing as an example the disagreements over the construction of the Rhine-Main-Danube canal, which is favored by the construction union and lobbied against by the GdED [expansion unknown].

## Growth Policy

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 27 Dec 82 p 9

[Report by rb: "DGB Against a Policy of 'Growth at Any Price'--Henschel Foresees Impact on Quality of Working Time Reduction; Two Percent Growth Rate is Realistic"]

[Text] Frankfurt/Main--In an essay published in WSI-MITTEILUNGEN, Rudolf Henschel, Director of the DGB's Department of Economic Policy, denounces "any kind of policy to promote a higher growth rate at any price." In an issue of the publication of the DGB's Institute for Economic and Social Sciences (WSI) devoted to the subject of "Qualitative Growth, Environmental Protection and Workers' Interests, Henschel also declares against "the primacy of real wages as the only or most important measure of achievement by the unions."

In view of the high level of consumer goods use which has been achieved, Henschel considers "the impact on quality by a reduction in working hours without an accompanying intensification of performance" to be greater than an increased use of consumer goods. However, he adds, we must also take into consideration a differentiated income policy for disadvantaged population strata in the low income groups. That is why the factors of quality of life which are missing from wealth statistics must be given consideration more than ever: fighting unemployment, creating more leisure time by reducing working hours, improving working conditions and improving housing and environmental qualities.

Henschel figures that even despite the DGB's proclaimed qualitative growth policy an average growth rate of only about 2 percent will be achieved during the next few years. This would however entail an increased consumption of goods and services which would be just as large as the average consumption during the economic miracle years of the 1950's, with average growth rates of more than 8 percent, inasmuch as the GNP has in the meantime quadrupled. At the currently achieved level of wealth, even a growth rate significantly below 2 percent would not be very dramatic for the long term. That, he felt, was just as true for correspondingly lower increases in real income.

This might happen already in 1983. The WSI considers "more than doubtful" the 1 percent 1983 growth forecast most recently issued by the council of experts.

For future wage policy strategy by the labor unions, Henschel takes it for granted that increases in real wages and a reduction in working time be included in a package, to cost no more than the resulting increase in productivity, plus the inevitable increase in living expenses, plus the possible or necessary redistribution. This however does not exclude the possibility that "under certain circumstances a reduction in working time desirable for reasons of employment may, despite wage equalization, result in a temporary reduction in real wages."

Other articles in the WSI-MITTEILUNGEN deal with the relationship between labor unions and the environmental movement. In view of mass unemployment, the scientists fear that all other considerations become secondary and that the unions are thus led "into fatal decisionmaking situations between environmental protection requirements and employment opportunities." This would be all the more serious because especially workers in the lower wage groups "generally live in the least healthful housing areas" and have to depend upon "nearby recreational facilities."

They maintain that it should be possible to avoid a "religious war" in view of the cooperation shown between ecologically oriented scientists and union representatives in the Bundestag inquiry commission on "Future Nuclear Energy Policy." In this undertaking, the pillar of joint effort was a mutually acceptable concept of economic use of energy which would pay sufficient attention to effects upon employment. For the future, the scientists see "points of agreement for potential commonalities" on the basis of a "user-oriented work and environmental economy." Common goals for this purpose, they add, should be formulated "in terms of specific investment and employment programs."

9273

CSO: 3620/177

## EXPERT DEFENDS BANKING SYSTEM

Paris LES ECHOS in French 14 Dec 82 pp 11-13

[Interview with Jean Dromer, president of the French Association of Banks, by Henri d'Armagnac: "Intensify Efforts in Favor of Business, Adapt Structures and Practices"]

[Excerpts] For his first interview as president of the French Association of Banks, Jean Dromer calmly points out the responsibilities, constraints, realities and limits of banks' activities as related to business. Banks seek outlets, banks are under the fire of critics, banks, for the most part nationalized, are a battle corps for economic policy, they are needed when new firms are established and are asked, frequently at great risks, to uphold the economic fabric.... Today, although there is a new banking policy under the direct guidance of the government, banks still have their own liabilities.

Bankers are accused of not taking enough risks. Instead of poking fun at them, we must do away with all misunderstandings. "The function of a financial intermediary must be carefully determined, in line with each country's policy and economic situation, and it must be sufficiently clear," Jean Dromer says. Banks have five things to lend: their own capital, their reserves, their permanent borrowed capital, their deposits and their profits. They can only lend out their deposits for the same maturities, their permanent capital if the return is higher than the price paid to the initial lender, and their equity if it is certain to be repaid. They can only lend their profits if they make them.

"Deposits and credits are based on trust," the president of the AFB points out. He goes on to say that if banks are supposed to make an effort to be even more attentive to the problems of enterprises, they cannot cope with the crisis alone. "They should not jeopardize the balance of capital and deposits. They must ensure their profitability." Moreover, "in an international system where their presence is essential and their place recognized, the criteria of balance and financial liability must be respected."

Efforts to be made? There are and there will be even more. Mr Dromer opportunely points out that total bad debts held by banks went from 17 to 54 billion francs between 1980 and 1981. Banks' share in participatory loans has

also doubled, to 35 or 40 percent. At the same time, efforts are being made to clarify and simplify business credits.

More must be done. Various solutions are being sought, such as "global operating credits," or a reform of the operations of the banking pool.

What about making credit less expensive? This is first a problem of the cost of resources and a monetary problem. As for resources, various refinancing or partnership systems could be worked out, based on the general policy.

If one looks further to the management and productivity of banks, it is important to bear in mind that 65 percent of their overhead is personnel costs, and that in 10 years, the number of checks has quadrupled and the number of operations has tripled. Banks' staffs increased steadily from 1978 to 1980, while they were decreasing in industry.

Banking Pools: Defining the Role and Responsibilities of the Leader

[Question] What is happening with this reform of banking pools and do you believe that it can change the relationship between banks and business?

[Answer] The reform has been under study by banking groups since several months ago and I predict that the AFB board, which recently received the conclusions of a group of experts, should be making a final decision at one of its first meetings in 1983. In other words, although I know enough about it today to speak about the project in general terms, I am not in a position to give any details.

This having been said, what about the prevailing situation today?

Banking pools are the direct result of a certain way in which businesses are expressing their freedom in choosing their bankers.

When a deal is good, banks frequently are forced to accept new partners in the consortium, whom they could have easily done without. When a firm begins to pose problems, the pool acts as a sort of corporative constraint preventing the bank from resuming its freedom of action.

This type of financing syndicate has the advantage of giving companies considerable security, simplifying their financial negotiations, offering them an opportunity to reward or punish various establishments by changing rate scales, and of getting around a situation in which member bankers cannot meet a new need, by adding on new partners. You will notice that many firms do not hesitate to negotiate financing outside the consortium.

There has been varying criticism of pools, for instance that the division of risks they allow reduces the involvement and liability of the participating banks. The fact that the leader does not fully play his role has also been criticized, as has the pool's screening effect between the two partners, i.e., the bank and the business.

This criticism does not go so far as to question the principle of the pool, and so the reforms being prepared are designed more to modify certain aspects of their operations than to fundamentally transform the procedure.

By undertaking this reform, the banking profession is showing its willingness to take into account the criticism that its clients are leveling against it. As they now stand, the provisions of the project are aimed at improving the circulation of information between the members of the pool on the one hand and the company and its bankers on the other.

They also spell out the role and responsibilities of the leader and indicate what the operating rules of the pool should be under the various circumstances in which a firm finds itself.

[Question] How can this upcoming reform help business?

[Answer] I must point out to you that the AFB does not have the power to lay down rules applicable to banks. If this were the case, the profession could be accused of acting like a cartel, or at the very least of being against competition. Our intention is therefore, once the reform plan receives final approval, to publish a recommendation to banks suggesting that they implement the provisions of the reform.

This should facilitate a dialogue between business and bankers, who would be better informed and therefore could better analyze a firm's problems and would be more concerned than in the past about the firm's activities and its progress, including when difficulties arise. And that is the main thing.

[Question] The government has sometimes implied that the French banking system is too expensive. Do you agree?

[Answer] Wouldn't a positive reply surprise you? Even though I do not believe it has any foundation, I nevertheless take this statement very seriously. In saying this, people are in effect making an overall and basic criticism of the French banking system.

What they are saying is that in this country, the cost of the services of financial intermediaries is too high.

In other words, the socio-economic function fulfilled by banks, i.e., temporarily mobilizing unproductive savings to channel them toward financing businesses and individuals, is too costly for the national economy.

The few comparisons that could be drawn between the situation of banks and industry in France, or between the situation of banks in our country and their situation in a number of industrially developed countries, contradict this statement.

The increase in banks' operating expenses compares favorably with increases in many industrial firms. Banks, however, have maintained their staff sizes, whereas the number of jobs in firms has considerably declined.



From 1978 to 1980, the overhead of industrial firms increased by 13.8 percent on average, while it increased by 14.7 percent in banks. At the same time, personnel grew at an average rate of 0.4 percent in banks, whereas it decreased at the rate of 1.3 percent in industry.

If we now take a look at the margin taken by banks on credit operations, instead of overhead, the only way to evaluate it is to compare it with other countries.

To make this comparison, we need to refer to overall data, i.e., covering all credit institutions, to attenuate purely institutional differences as much as possible and to delineate periods of relative calm on the monetary scene, so that the series will be homogeneous enough, as it was from 1975-79.

During those years, you will note that the ratio between the amount of interest collected net of interest paid by credit institutions in the broad sense of the term, or what national accountants call the net production of banking services, on the one hand, and the gross domestic product on the other, was similar in France to what it was in neighboring countries in a better position in this regard, i.e., Germany, the Netherlands, and Belgium.

During the period under consideration, this ratio averaged 3.8 percent in France, as compared to 3.2 percent in the FRG, 3.7 percent in England and 4.4 percent in Italy. The costs of financial intermediaries are therefore about the same in France as in neighboring countries.

But the criticism leveled against the French banking system is too severe to be refuted merely on the basis of two, albeit significant, indicators. We do not want any doubts whatsoever to remain in this regard. Consequently, I have requested an in-depth study combining all the available data that will show the costs of financial intermediaries over the years--their development in France in recent years--and this in comparison with what they are in other industrially developed countries.

The work is nearly completed and I am counting on announcing the results in January.

#### Adapting Structures and Practices

[Question] Would you like to say something in conclusion, sir?

[Answer] Providing financing for firms is still the main concern of the AFB banks, which have granted them 80 percent of their credits.

They have been assisted in their current activities, their export efforts and their investments, as permitted by monetary policy. Efforts to bolster equity capital have been pursued, especially by developing participatory loans. Businesses in difficulty have been supported by various exceptional methods, always with the participation of banks.

I hope I have convinced you of our determination to continue and increase these efforts and, to do this, to adapt our structures and practices so that our activities will better meet the needs of business and further its development.

In this way we should be better able to make the problems, concerns and obligations of our profession known and understood, while respecting the interests of our depositors and building national and international confidence in the French banking community.

9805

CSO: 3519/201



## NATIONALIZED INDUSTRIES ANNOUNCE PLANS FOR 1983, 1984, 1985

## Program Outlines

Paris LES ECHOS in French 14 Dec 82 p 6

[Article by Jacques Jublin]

[Text] All the nationalized industries have submitted to the government copies of their plans for the next 5 years. Jean-Pierre Chevenement must have breathed a sigh of relief, since Pierre Mauroy has been hounding him recently about the leftist employers' delay in sending in their plans.

Without these plans, no real coherent industrial plan can be outlined, and no detailed policy can be worked out, nor can any serious long-term recovery be envisaged.

Suffice it to say that the Ministry of Industry is groaning as it examines the papers submitted full of new ideas and ambitions, because the government is finding it hard to cope with "activism," while the losses on the balance sheets of its proteges are increasing.

Recovery must come soon, very soon, to stop the drift toward financial ruin.

This is all the more urgent in view of the fact that Georges Besse (PUK) [Pechiney Ugine Kuhlmann], Jean-Pierre Brunet (CGE) [General Electric Company], Loik Le Floch (Rhône-Poulenc), Roger Fauroux (Saint-Gobain), Alain Gomez (Thomson), and Jacques Stern (CII-Honeywell-Bull) were warned months ago by Jean-Pierre Chevenement that "You will be accountable to the nation for your performance."

This explains the very detailed, careful plans, plans which are like surgery to stop the hemorrhaging. And it is the future of the country above all that is at stake in the ambitions of Georges Besse, Alain Gomez of Jacques Stern.

One thing is essential, and that is to compete successfully with the United States, Japan and West Germany. And there is one hitch. To be able to participate in the world economic war, the leaders of the nationalized industries are asking the government for financing of the order of 50 billion francs.

9 Billion in Losses Estimated for 1982  
(11.4 in 1981)

CII-HB.....	-1.5 billion
CGE.....	+0.24 billion
PUK.....	-0.8 to 2 billion
Rhone-Poulenc.....	-0.7 billion
Thomson.....	-1 to 1.5 billion
Sacilor.....	-2 billion
Saint-Gobain.....	-699 million for first half*
Usinor.....	-3 billion

\*The net results are +122 million, but the loss is 699 million, in view of the provision for the "exit" of electronics.

Some 50 billion for 1983, 1984 and 1985, to which is added issues of CGE or Rhone Poulenc, primarily. A bill comparable to the 27 billion in capital and participatory loans which the government has already allotted to these industrial "champions" out of the 1982-1983 budgets. The heads of these nationalized enterprises are unanimous in their view that it is money and not ideas that is lacking.

Just ask Loik Le Floch, Georges Besse, Jacques Stern, Jean-Pierre Brunet or Georges Pebereau if they need ideas. Absolutely not. As a matter of fact, the industry minister is forced to screen, x-ray and hold financial consultations on the business plans submitted to him.

This blossoming of minds has generated some pleasant surprises, but also some disappointments. There is one common thread and that is that any kind of "gosplan" is ruled out.

The strategy should be "American style," with 5-year industrial, technological and commercial targets and 3-year financial trends. This would be supplemented by adjustments every 12 months, since pragmatism is often the best doctrine in economics.

New Materials for PUK, Services for Saint-Gobain, Biochemistry for Rhone-Poulenc

Georges Besse is asking for a lot of money. Determined not to let PUK sleep on a pile of aluminum and copper, his idea is to make the group one of the world leaders in new materials on which the future of aviation, electronics and the automobile industry depend.

Carbon fibers are in the collimator, of course. But so are kevlar and compound fibers of all kinds (glass, metal, etc.), and ceramics. And in this field, it is America and Japan who have been competing up to now, which is quite a challenge for Georges Besse. But he doesn't mind that.

Loik Le Floch is also full of energy, and is looking at the future of Rhone-Poulenc with enthusiasm and the promise of lots of investments. In pharmaceuticals, fine chemistry, fibers, textiles and biogenetics, everything looks promising on the blueprints he drew up. Moreover, he has no intention of confining business to France. Rhone-Poulenc, like Elf-Aquitaine, intends to compete all out with the United States. Weren't Bayer and BASF successful?

Roger Faroux in turn is also hoping that Saint-Gobain will surprise the market. Although the traditional lines are good--cast piping, plate glass, packaging--the new lines are even better. Since the dream of electronics was ended with the government's decision to cut the bridges between the firm and CII-Honeywell Bull, just like Eurotechnique, Saint-Gobain has developed a passion for technological services.

France should follow in the footsteps of the United States or Japan and enter the era of industrial services, where GDP is generated and jobs are created. Saint-Gobain, with its business sense, could be a firm of another dimension on the world market.

A great upheaval is in sight in electronics. The "clan" of CII-Honeywell Bull, Thomson, CGE and GCT has taken off. And, the president of the republic expects a great deal from this sector, vital for the country. Alain Gomez will not take no for an answer. His endeavor to take over Grundig, by bringing in Philips in its wake to form a European front in audiovisuals against the Japanese, is one example of this.

#### Thomson Wants To Remain in the Telephone Industry

It also wants to stay firmly in telecommunications, either transmission or switching, rather than shifting it on to the CGE. And, electronic components appear as the nerve of the economic war.

Data processing is not completely out of the running with its plans for sophisticated large-capacity optical disk storage systems. A big question remains, however: What about office systems?

It is up to the government to answer, as it is reviewing the plans of CGE and CIT-Alcatel. It is apparently one of the main strategies of the only nationalized firm that is posting high profits. Office systems, and Georges Pebereau, the director, are firmly supported throughout the world, to such an extent that he is currently negotiating with Carlo de Benedetti, the head of Olivetti, to prepare an offensive on all fronts.

The "fully electronic" telephone is another "ambition." Considering the hook-up between Philips and ATT that is under negotiation, other international alliances should be found. Why not with Siemens? A strengthening of the CGE in the area of heavy electrical construction, turbo-alternators, transformers, and distribution mechanisms is more than a hope. The negotiations with Brown Boveri (Switzerland) for support for CEM [Electromechanical Equipment Co.] are proof of this.

The CGCT [General Company for Telephone Construction] (a former subsidiary of the nationalized ITT) is another piece of the puzzle not to be overlooked. It needs 2 billion francs to avoid filing for bankruptcy. It would seem that we were talking about the steel industry, but it is only the telephone. Two billion, with a preference, and that is to work for Thomson and not for CGE. Since LMT [Telephone Equipment Co.] (another subsidiary of ITT bought out in 1976) is a known quantity, the men prefer to manufacture "MT 30" power plants on a contract basis and detailed invoicing equipment rather than work under the CGE.

The case of the CGCT should be dealt with quickly. But the big question mark comes after the name of CII-Honeywell Bull. Should this company, which has been batted about in the past from American to American, from General Electric to Honeywell, be the most ambitious of all or should it be more modest in its ambitions? Its leaders are leaning heavily toward microcomputers (the personal computer market is exploding), office systems, computerized communications and medium-power computers.

But here there is a double threat. You have to count on CGE and Thomson when you talk about office systems. And then, how could you imagine the Gaullist France that Francois Mitterrand has in mind when he speaks of industry without large-capacity computers, the kind that are needed by the military and scientists, without which it is impossible to fully develop our brain power?

Whether or not the government goes along with these plans is a question of billions of francs more or less. It is a question of doctrine, independence and industrial strategy which is so critical that the Elysee will certainly be studying this plan along with others, as the president of the republic is now counting more than ever on these enterprises to assure the recovery of the country's economy.

#### Further Financial Details

Paris LES ECHOS in French 21 Dec 82 p 6

[Text] "France must make sure its industry is in good condition and that its plant and equipment are completely modernized in 2 years, so that it will be ready for the world economic upswing. Therefore, despite the fact that the current economic situation is extremely depressing, the nationalized enterprises will invest a great deal to prepare for a resurgence."

Yesterday Jean-Pierre Chevenement once again emphasized to the press how important the nationalized enterprises are. For him, it is a matter of guaranteeing the survival of the country's industry, and hence that of France in an economic war that is filled with recessions in many areas of the world.

The strategy in response to this situation is a substantial financial commitment, designed to have a leverage effect on the entire industrial fabric. And, in looking over the 3-year plans submitted by the nationalized firms, the minister could see that 11 of these groups are not lacking in ambition.

These ambitions are accompanied by substantial financing needs amounting to some 50 billion francs (LES ECHOS of 14 December).

This 50 billion sum covers requests for 3 years (1983, 1984 and 1985) with annual revisions and an adjustment at the end of 1983 to take into account the IX Plan for 1984-1988. It is therefore a type of "marriage contract" between the government and its industries, a contract that will set general goals for employment, foreign trade, subcontracting, technology, markets and money to be mobilized.

Speaking of money, a great deal will be needed, as the financial position of the nationalized enterprises is very delicate. Consolidated losses were up to 11.6 billion in 1981, and they show promise of being as high this year. This is why the government is providing 20 billion in capital between now and the end of 1983, and there is a 25 billion franc investment program. There could be a serious accounting in the government during a time of austerity, since Jean-Pierre Chevenement is only guaranteed 12.45 billion in the budget right now. Of course, to that must be added credits for reorganizing the chemicals industry. Those earmarked for electronics (60 billion in government monies over 5 years with 80 billion in self-financing from the enterprises), plus the participatory securities that will be issued by various nationalized firms, and of course nonbudgetary resources.

But the France of Francois Mitterrand, who has placed industry on the top of his priorities, must now increase production, despite austerity and the economies required by the crisis, and have a strong hold on the future. Now we have to decide what shape we want France to take and propel the country into the 21st century with determination.

#### The 11 "Pupils" of J.P. Chevenement

Eleven of them have now submitted 3-year plans to the minister of industry and research: 2 steel companies, Usinor and Sacilor, whose losses are considerable (at least 6 billion in 1982); 3 chemical companies, Rhone-Poulenc, CDF-Chimie and EMC; 1 automobile manufacturer, Renault, which was a little late in sending in its objectives; the electronics firms, that nearly make up a legion--Thomson, CGE, CII-Honeywell Bull; a specialist in construction materials, PUK; and, Saint-Gobain, which covers all the categories.

There is one exception, and that is Elf which is preparing a separate plan. And, there is an intergovernmental haze around Matra. How can the industries be made coherent if the firm led by Jean-Luc Lagardere is not considered seriously by the Ministry on the Rue de Grenelle?

9805

CSO: 3519/202

## SECTORIAL DISSATISFACTION BRINGS STRIKES, FURTHER THREATS

/Editorial Report/ Recent issues of Athens newspapers have reported on a series of strikes affecting various sectors of public life which denote deep dissatisfaction with the government's handling of the economy.

Athens TA NEA in Greek 21 January 1983 page 16, 22 January 1983 page 5 and 24 January 1983 page 5 reported on strikes in the transportation sector which immobilized interurban, provincial city and tourist busses. The strike by interurban busses was set for a 7-day period beginning 20 January and was mainly caused by owners' demands to raise ticket prices. Besides creating havoc among prospective travelers, the strike permitted unbridled profiteering by taxis (TA NEA 21 January). Bus owner-drivers were protesting the fact that "we cannot make a profit.... Let them /the government/ nationalize them [the busses] and then our salary would be ensured." TA NEA 22 January reported on several incidents involving arrests that occurred during the strike, such as the one at the Korinthos Canal where strikers attempted to check travelers. TA NEA 24 January reported on a 22 January half-day strike involving tourist busses, which was labeled a "dress rehearsal" for further action if the government would not pay "proper attention to our demands," among which are the non-issuance of permits for additional busses and the establishment of higher rate schedules.

At the same time, press reports indicated that a wave of strikes in other sectors was also planned. Athens I KATHIMERINI 25 January 1983 pages 1, 3 and 5 reported that: 1) Lawyers had decided to stay away from all courts of law in the country for 48 hours on 17 and 18 February if there were no new developments in regard to their demands presented to the Ministry of Justice, some of which concern the deficit in the Lawyers' Retirement Fund--which would otherwise be unable to pay pensions due--and for emergency measures to be taken to improve facilities and equipment in the administration of justice. 2) Civil servants would resort "immediately" to strike action to restore their purchasing power. The president of the civil servants' trade union (ADEDY) stressed that "...their demands are not... new... but are problems created... by the government itself through its politics," adding that "...our employer--the government--is appearing so tough today that only a struggle can solve our problems." 3) The DEI /Public Power Corporation/ workers decided to strike on 28 January in protest against the government's incomes policy and the "disregard of our hard-won gains..." such as "...payment of taxes on /DEI/ personnel electricity consumption.



## FINANCING ON DECLINE; DEPOSITS, CASH-ON-HAND UP

Madrid DIARIO 16 in Spanish 13 Jan 83 p 16

[Text] Madrid--Financing made available to the domestic sectors of the economy (public and private sectors) showed a decline in growth in October and November with respect to previous months, according to provisional data released by the Bank of Spain.

The latest economic bulletin from the Bank of Spain indicates that this decline is due to the obstacles imposed by monetary authorities to the expansion of the banking system's profitable assets.

This led to a growth rate of practically zero in the financing granted by the credit system to the public sector during those months. It should be noted, however, that the financing needs of public administrations in October and November are small because of the liquidation of tax revenues and due to the major role played by certain public issuances during that period as a source of financing.

## Deposits

With regard to financing provided to the private sector, the report indicates that there was a decline of more than five percentage points. The drop was especially sharp in financing granted to banks.

Other data on monetary development indicate that in October and November there was an increase in the amount of cash in the hands of the public, a moderate rise in deposits in the banking system, and a stagnation in interest rates paid for deposits.

According to the information obtained by the central bank and provided to Efe, the amount of coins and bills in the hands of the public rose by about 45 percent during those months. This is explained, according to the monetary authority, by the effect of hoarding that is typical during election periods.

With respect to the deposits of the banking system, in November there was a moderate growth (13.4 percent), with a larger increase in savings institutions than in banks.



Finally, the Bank of Spain report on monetary development indicates that the deposit interest rates freely paid by the banking system, have become stagnant. Slight increases were seen in bank interest rates, while savings institutions rates fell a little.

At the same time, there was a decline of a half a percentage point in the profitability of fixed-yield markets, both in the public debt category and in the private obligation markets.

8926

CSO: 3548/106

## BANK-GOVERNMENT COOPERATION ADVISED, NO NATIONALIZATION

Barcelona LA VANGUARDIA in Spanish 14 Jan 83 p 33

[Interview with Rafael Termes Carrero, president of the Spanish Private Banking Association, by Albert Bassols; date, time and place not given]

[Text] "Spanish banks will continue to cooperate with this and any other legitimately constituted government, without excluding constructive criticism on our part," said Rafael Termes Carrero, the 63-year-old Catalanian who heads the Spanish Private Banking Association (AEB), in an exclusive interview with LA VANGUARDIA.

[Question] Because bank-government relations are a central issue, it would be interesting to know what are the circumstances of relations or cooperation--if there are any--following the meeting between the seven largest banks and Minister of Economics and Finance Boyer.

[Answer] In terms of cooperation there has been absolutely no change on the part of the Spanish banking sector, which will cooperate with this and any other legitimately constituted government. We will continue to render, from the standpoint of private enterprise, the public service represented by the amassment of savings and the channeling of funds through investment. We will adhere to the provisions set forth by the government at all times, although that should not prevent us from expressing an opinion about the appropriateness of these provisions, or the lack thereof. That is, the banking sector will cooperate with the government, without excluding constructive criticism.

## Nationalization Unlikely

[Question] Will this climate of cooperation between the banks and the government continue in the hypothetical case of a policy of bank nationalizations?

[Answer] If the government, contrary to everything it announced in its electoral platform, were to embark on a policy of nationalization, we would not agree with that, although we would have to comply with it. At any rate, I don't think the government has that in mind. And I think it would be a mistake, because on the one hand it would be unfair to dispossess legitimate shareholders of their property; and on the other hand, even if these

supposed nationalizations are compensated, the cost would be tremendous, and the price would have to be paid by the state, that is, by all Spaniards. In the third place, it would be an inefficient system, because nationalized banks are much less effective than private banks. Finally, in the fourth place, nationalization would be an unnecessary measure, because the government can control credit perfectly well without having to own the stock. Since I assume that Spanish Socialists are intelligent and do not want to start trouble, I am very doubtful they will ever try to nationalize banks.

#### Inflation Principal Problem

[Question] Do you agree with Minister Boyer's idea that cutting inflation is the principal objective to achieve in our economy?

[Answer] I totally agree with this objective, because with inflation it is impossible for this country to grow; it is also impossible for investment to rise, and therefore to create jobs, so the unemployment problem could not be solved. Although some might think that an artificial stimulation of the economy could create jobs, in fact if inflation is not cut drastically first, there is no way out. Therefore, the minister is entirely correct when he says that if we don't manage to bring inflation under control, we will have to go to a stabilization plan. The fact that I approve of the government's preference for fighting inflation does not mean that I agree with all the measures of the Socialist government program. In fact, in my view, there is a clear inconsistency between the desire to fight inflation and the goal of maintaining the buying power of wages. By the same token, there can be no coherence in that battle if the government does not decide to cut the budget deficit.

#### Mandatory Investment

[Question] Do you believe that the government will increase the mandatory investment quotas imposed on the banks?

[Answer] I don't think so. Rather, I understand it is possible that, through negotiations, it wants banks to earmark certain resources for certain purposes, but I don't think this will be done through increases in the mandatory quotas. With regard to the quotas, our position, as everyone knows, is that the "impounded funds" should be freed up, and that all investment should be at market prices. If the government wants to help certain sectors or businesses, it should do so through direct and clear subsidies on the basis of a specific allocation in the government budgets. Otherwise, the way things are now, the result is costlier credit for those businessmen who do not have special contacts.

[Question] What, in the opinion of the president of the Spanish Private Banking Association, is the future of the Catalanian Banks?

[Answer] When the Fund has brought this bank group back to health--and it has the power to do so--it will be put up for bidding, and we will have to

see what response this offer gets. I think the answer lies in Catalonia itself, and it does not necessarily have to be a bank; it could be a private or industrial group from Catalonia that, once the Catalanian Banks is back on its feet, would be interested in taking it on. It should be pointed out that the expansion of capital did not take place at the same time as the bidding will be held, in a few months or a year. Then, with a bank completely or partially bolstered by the Deposit Guarantee Fund, it is very possible that the Catalanian Banks will find someone interested in buying it. I hope that someone will maintain the Catalanian character of the institution.

[Question] Isn't the treatment accorded the Catalanian Banks by the monetary authorities really different and discriminatory in comparison with that given another entity in crisis, such as the Bank of the Pyrenees?

[Answer] I understand that in the case of the Bank of the Pyrenees not all the conditions imposed in other crisis cases were presented; namely, that the Guarantee Fund be able to obtain a majority of the stock so that it would be in control. Secondly, the Fund was not able to obtain--as in the case of other banks in trouble--the personal guarantees of the board members to cover any losses.

#### Wage Negotiations

[Question] How is the AEB approaching the 1983 wage negotiations for its sector?

[Answer] I should explain first that the press has erroneously reported that we have a set wage scale. We have no such thing, because now that the scale proposed by the Spanish Confederation of Business Organizations (CEOE), of which we are a member, has been released, we have begun to propose our own agreement. But I can say that I agree with the CEOE's proposal that there should be a link between wage increases and inflation, to cover what the Bank of Spain in its latest general report called "slippages." The CEOE says that if inflation is 12 percent for 1983, the high scale cannot exceed 10 percent, precisely because of the effect of that "slippage," the product of 3-year contracts, reclassifications, promotions, etc., which converts that 10 percent into 12 percent. A second aspect that has a major impact is the work period, because earlier assumptions were based on the previous work week. If we reduce the work week to 40 hours, going from 1,880 to 1,820, this must clearly also be reflected in wage increases. This repercussion will bring the upper and lower limits of the scale down by approximately 3 points.

#### Bank Consolidation

[Question] Will the process of consolidating Spanish banks continue?

[Answer] No one knows exactly how this process will turn out, but presumably the concentration will continue. It is possible that critical situations may still arise in some banks, and that before things get worse, they themselves may opt for a merger, possibly without going through the Guarantee

Fund. On the other hand, another factor will intervene: the large institutions will try to increase their size in order to attain the level of the Common Market, because our banking sector, including the "Big Seven," is still relatively small compared to other countries.

8926

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## CONSTRUCTION SECTOR HIT HARDEST BY ECONOMY

Istanbul DUNYA in Turkish 3 Jan 83 p 4

[Statement to DUNYA by Installations and Construction Contractors Union President Sami Sari]

[Text] Today the construction sector is experiencing its most unstable period since 1974. Some firms have exploited this unstable situation and have brought abnormal inflation rates and crises to our country. The construction sector has been hit hardest by these crises. Manufacturers and marketers of construction materials have also suffered from this grave situation.

Ownership of a house they can live in has become a dream for people with fixed incomes, retirees and small businessmen. Those who had a few pennies saved have preferred to invest their money with banks or brokers for interest since they were unable to buy immovable property with what they had. The housing shortage has worsened as a result of this situation.

The package of measures designed to prevent inflation were aimed at easing this problem. In that respect, the enactment of the Public Housing Law is a pleasing development for the revitalization of the construction sector and the radical solution of the housing problem.

However, delays in the enactment of the code of regulations necessary for the functioning of the law, the lack of necessary appropriations in the budget and defects and inconsistencies in the law have given rise to concerns that, as in 1982, the expected developments will not occur in 1983 for the revitalization of the construction sector. In our opinion, major changes are necessary in the Public Housing Law to enable it to deliver even only part of what is expected. The underlying principle must be raising the purchasing power of the people while trying to reduce costs.

Article 9 of the said law gives the Ministry of Housing and Resettlement the authority to award its contracts to public organizations.

The purpose of the law is to have more housing units built for less money.

As is known, public construction firms bid on contracts sometimes without discounts and sometimes on the basis of "cost plus profit" and then they often turn over their contracts to private contractors. What is the purpose of this procedure? We do not know how the public benefits from such an implementation and what higher administrative and economic policies are served by using public organizations as middlemen in turning over contracts to private construction firms.

Construction projects awarded to public organizations cost the project owner 30 to 50 percent more than what they should as a result of these organizations' practice of turning over projects to a second party. The choice of this procedure, which costs the Treasury 30 to 50 percent extra from the outset, has produced some sad results. The most recent and prominent example of this fact is the cost of the public housing project being built in Atakoy by the Emlak Kredi Bankasi.

A normal and logical procedure would provide for bidding on public projects by both public and private construction contractors on an equal and nonpreferential basis. This reasoning is valid for all government expenditures.

The housing problem cannot be separated from the country's economic, social and cultural problems. Consequently, the housing issue must be tackled from a broader perspective. We would like to put forth the following proposals on this issue:

1. As is known "public housing" is defined under two categories. Under the first category, the term is defined as a minimum of 200 housing units to be built in places which have been prepared for construction and which were approved as construction sites before 10 July 1981, the date when the Public Housing Law went into effect. Under the second category, the term is defined as entire areas incorporating 750 to 1,000 housing units, common utility installations, common usage areas and work places to be built henceforth on settlement plots of at least 15 hectares.

We have no objections to the definition under the second category. However, it is impossible to accept the 200-unit limit frozen under the first category. There is no practical benefit inherent in excluding from the definition of the term "public housing" the prepared construction sites for 30, 40 or 50 housing sites on private, corporate or public lots which have been approved for construction and which have no infrastructure problems. Including the 30-unit lots within the bounds of the definition of the term will help the economy of the country in at least two respects:

- a) The infrastructure expense which raises the cost of each unit by 9 to 14 percent will be saved.

- b) Since there are fewer contractors who can build 200 units than those who can build 30 units, more employment opportunities will be created for technical personnel and workers at a time when unemployment is said to have reached extreme proportions in our country.

2. Under the current taxation system, the construction sector is penalized by taxes levied at every stage of taxation.

If the construction sector is considered as a whole, it will be seen that there are at least 200 industry branches affiliated with this sector and that all these branches have been showing losses in their balance sheets as a result of the complete stagnation in the construction sector. Taxes and fees levied on construction sites must be dropped having in mind that the revitalization of the construction sector will also mean the revitalization of these affiliated 200 industry branches which will pay larger income and corporate taxes. Furthermore,



taxes levied on rent income must also be dropped to encourage the construction of housing units.

3. Construction costs are rising by the day. In view of the insufficiency of funds available to counter the mounting housing shortage, technological steps must be taken to insure savings in housing construction. Luxury and expensive materials must be strictly avoided and standardization must be introduced.

4. Although various changes and amendments have been made to the nearly 40-year-old Law No 2490 on raising and lowering bids, the law has preserved its character of hampering planned development moves.

We have conveyed to the pertinent authorities our view that, as a result of large discounts applied to bids as part of the implementation of the said law, projects could not be completed and that contracts awarded with 40 to 50 percent discounts were doomed to failure from the outset. We cautioned our colleagues about the grave results they could expect as a result of large discounts. Serious and talented contractors have been unable to take on contracts and have moved to other fields.

One of our surveys shows that in the 1980's one ministry alone rescinded contracts on 72 jobs totaling 1.6 billion Turkish liras and recorded the guarantee payments by the contractors as revenue. The Treasury was then forced to spend 150 percent extra to get the jobs done at new prices. Most of the contractors involved went bankrupt, the projects were not completed on time and some of the jobs could not even be started.

Generally speaking, 1983 is the completion year of the contracts awarded in the 1980's. The number of jobs not completed on time or abandoned will rise very rapidly in the coming year. The number of canceled contracts will increase, bankruptcies will follow each other and the lawsuits that will result will top the brokers' incidents. Subsequently, the Treasury will be forced to make supplemental payments to get the jobs completed with the new prices in effect.

Press statements by government officials, led by our honorable Prime Minister Bulend Ulusu, emphasize the need to award contracts to those who can do the jobs rather than those who give the largest discounts. The section of the government's 1982 program about measures for the construction sector envisions the elimination of the bureaucratic barriers contained in Law No 2490. We have since heard with pleasure that a new bill on government contracts is being drafted and that the issue is on the agenda of the Consultative Assembly. We hope that the new bill will contain provisions which will clarify the principle of fair price so that contracts will be awarded to those who can do the job rather than those who give the largest discounts. In our opinion, the principle of fair price can best be implemented by a system of sealed bids. The bidder must prove by documents to be required by the administration that he can do the job at the price he is bidding. This way, it will be possible to use the technical potential of the participants in the feasibility study and cost estimation phases of the project and to reach at a realistic estimate of the cost of the project.

5. We have conveyed to the pertinent authorities our concern that the Ministry of Housing and Resettlement, with its existing centralized organizational structure,

will not be able to cope with the difficult tasks assigned to it right before the Public Housing Law was enacted and after the law went into effect. In that connection, we pointed to the need to equip the said ministry with regional organizations.

Statements to the effect that the first regional directorate of the Ministry of Housing and Resettlement was set up in Izmir, that the number of these directorates will eventually reach 18 and that housing departments will be established in some districts are heartening and hope inspiring. Housing construction regulations must be simplified and urban expansion planning must stop being a problem. New arrangements must be formulated to provide relief and final solutions for infrastructure problems, bottlenecks in municipal housing and automobile parking regulations, tedious formalities in licensing procedures, cooperative oversight requirements, lack of controls on jobs contracted and sad results stemming from the implementation of housing report procedures.

6. The organization of professional institutions involved in construction and owners of such institutions is essential for the health of the construction industry.

Contracting in the construction sector has become a profession that requires specialization. The absence of an institution that provides professional training in this field is direly felt. Currently, specialization in this profession is gained through experience in real life. Consequently, the establishment of an educating and organizing chamber for the contractors--similar to organizations in other professions--has become an essential need. The establishment of a chamber for this professional group, which requires specialized training, will mean that contractors can be trained in this country in various fields of specialization. Facilities to train construction supervisors, foremen, masons and builders are also very limited. In this connection, the Ministry of Public Works has been assigned to do the necessary work within the framework of the 1983 program for the establishment of a chamber and an association for contractors. As of the end of 1982, the said ministry had not done adequate work on this issue.

All work necessary for the enactment of the law on Turkish construction and installations contractors chambers and association at the soonest possible time must be completed without any delays.

9588

CSO: 3554/102

## ULUSU DISCUSSES GOVERNMENT PERSONNEL POLICY

Istanbul CUMHURIYET in Turkish 3 Jan 83 p 6

[Interview with Prime Minister Bulend Ulusu by the Ankara News Agency]

[Text] Ankara--Prime Minister Bulend Ulusu said that public organizations will fill the personnel needs of the installations they will put into service in 1983 with employees and workers already employed in the public sector.

Responding to questions by ANKA [Ankara News Agency], Ulusu stated that, in general, the public sector has a "personnel surplus." He said: "What is at issue is the productive utilization in time of this surplus personnel without making anybody lose his job."

Ulusu emphasized the importance of increasing exports and contracting services abroad in redressing the unemployment problem, which has become a global issue, and said that the government will support construction activities in order to foster employment.

Prime Minister Ulusu replied to ANKA's questions as follows:

Question: It is well known that unemployment is steadily growing in our country. Even so, public organizations have held the hiring of new workers and employees to a minimum in the past two years. What measures are being contemplated to prevent unemployment? Also are there any plans to fill the personnel shortfall in public organizations and their affiliates? If so, for how many people will these open positions provide employment?

Ulusu: In general, there is a personnel surplus in the public sector and not a shortfall. What is at issue is the productive utilization in time of this surplus personnel without making anybody lose his job. To that end, public organizations will fill the personnel needs of the installations they will put into service in 1983 with employees and workers already employed in the public sector. They will, however, be able to hire new employees, with the permission of the Ministry of Finance, for positions that cannot be filled in this manner. For positions vacated in 1983 through retirements, resignations and deaths, public organizations will be able to shift existing personnel from other departments in certain proportions and to hire new personnel if that is found to be necessary.

Despite these very strict rules, in 1982, in the state economic enterprises alone, the number of employees with worker status increased by over 23,000 and that of office and technical personnel rose by around 3,000.

Although it is being contemplated to create 170,000 new jobs in 1983, the development of our exports and contracting services abroad carry a special significance with respect to redressing the unemployment problem, which has become a global issue. Naturally, efforts will also be made to alleviate the unemployment problem through broader government programs for the construction of public housing and worker dormitories and various side implementations such as the encouragement of labor-intensive technologies in the private construction sector.

Question: What is the government doing about preventing "unregulated migration" from rural areas to the cities? What provisions will the law about preventing unregulated migration bring?

Ulusu: It is known that better opportunities in employment, education, health services, transportation and other social services are the leading elements in drawing rural populations into the cities. Consequently, our government's work on preventing unregulated rural migration into cities is being carried out within the framework of improving living conditions in the rural sector. An important element of our project is providing all villages with populations of more than 200 with a school by the end of 1983. It is also being planned to implement a "central village" program for small villages which will not be able to benefit from the services to be offered to the rural sector.

9588

CSO: 3554/102

## BIRAND EYES 1983 ECONOMY IN DOMESTIC, INTERNATIONAL TERMS

Istanbul MILLIYET in Turkish 7 Jan 83 p 7

[Article by M. Ali Birand]

[Text] The year, 1983, will not be a bright one at all for western economies.

All the forecasts of international organizations demonstrate that economic stagnation will continue in the year ahead and that unemployment will also increase further.

Among the predictions being made is that the dollar will decline a bit more, yet will remain in a strong position in relation to other currencies.

In the face of such a pessimistic tableau, it is outside the realm of possibility for Turkey not to be affected as well, for Turkey not to share in the stagnation.

The most negative factor awaiting Turkey will be the lack of productivity in exportation to western Europe.

The tendency of western European nations, which are all in as bad an economic position as the others, to close their doors to products from Third-World countries (including Turkey) will be a factor inhibiting the growth of the Turkish textiles industry.

Nor does the situation in the Middle East present an outlook that increases hope for our exportation to this region. The fall in the price of oil, the increase in prices of western industrial products, and general armament efforts render it necessary for a number of Middle East nations to restrict importation rather than import lavishly as they did in the past. This, too, can be considered to be an element negatively affecting Turkey's exportation.

The most important aspect of stagnation and unemployment in western European economies that will influence Turkey will be foreign exchange sent home by Turkish citizens in Germany. The plan of the German Government to pay 9,000 marks to Turks who have been unemployed for a long period of time and ship them back is expected to increase the tendency of citizens who fear their time will come to hold on to their foreign exchange instead of sending it to Turkey.

It cannot be considered that transfers, which totaled \$2.5 million last year, will reach the same level this year.

Another aspect that is not bright is international credits. At a time when Turkey has begun to be in a position once again of a "nation able to obtain credit," it is unfortunate that international banks, following the Brazil and Mexico catastrophes and with billions of dollars tied up in eastern Europe, began to behave in a much more tight-fisted manner in issuing credits. In the present-day atmosphere, it appears extremely difficult for Turkey to benefit to the degree sought or needed from the bank credits that it will feel it requires in the year ahead.

In order to be able to overcome this tightening up in issuing credits, Turkey will make a new agreement with the IMF to replace the 3-year accord that terminates in June. This new agreement proposes to give security to foreign banks and state credits of OECD nations rather than to obtain more credit than in the past.

If, among all these uncertainties, the fact is taken into consideration that 1983 is the year when old debts, which are in the billions, will begin to be repaid, we can say that easy days cannot be seen on the horizon.

Turkey also has domestic needs.

Despite it being said that inflation has fallen and despite efforts to prove this with figures, the cost of living, somehow or other, is gradually rising.

There is also an army of unemployed that is growing with every passing day. This community has engaged in a great deal of self-denial, whether it be through exportation in the period from 1980-1982 or through restrictions in the economy. If its labor to date is not to be in vain, a basic economic policy must now be developed with speed, and a repetition of last year's uncertainties must be prevented. If this is not done or if it cannot be done, we will be forced to return to the point at which we started and to experience once again all the economic problems.

The next 12 months must not be a year of unknowns as was the past.

11673

CSO: 3554/108

## SEVIG CALLS FOR REALISTIC SOLUTION TO UNEMPLOYMENT

Istanbul DUNYA in Turkish 7 Jan 83 p 2

[Article by Veysi Sevig]

[Text] It is seen that activity in the world economy has slowed down in recent years, the total volume of demand has shrunk in general, and, generally speaking, attempts are being made to use monetary policies as a tool to conquer inflation, whose effect persists.

Interest rates are rising because of the tendency to make use of monetary policy in order to be able to overcome economic difficulties, investments are falling, and the unemployment rate is gradually increasing.

In OECD nations, the number of unemployed surpassed 28.5 million, 8 percent of the labor force, in 1982. Approximately 16.5 million of the 28.5 million unemployed are in Europe. The excess labor force in Turkey rose to 18.9 percent at the end of 1982. This percentage is much higher than the average in OECD nations.

It is known that nations are being led directly into impoverishment because of the gradually increasing effect of economic stagnation and that the development of emerging nations is halted. Unemployment that already exists in developing nations is gradually increasing at this time and is, in fact, reaching dimensions that could create social crises.

Structural hidden unemployment that existed in the past in Turkey has been transformed into both structural and cyclical unemployment today. Unemployment means poverty, a fact that everyone knows. Therefore, it is unavoidable to conclude with great haste work proposed to eliminate unemployment.

The public sector was used as an absorbing environment in the past in our country to solve the unemployment problem. Within 3 or 4 years, the number of persons working in the public sector doubled. In fact, the amassing of employees in the public sector did not occur because of a demand for workers.

Alongside the gradual increase in unemployment in Turkey, the hiring of workers and civil servants in public organizations was held to the lowest



level during the past 2 years. According to an announcement made by our respected prime minister, "Within the framework of the economic stabilization program that is being applied, staff openings in public organizations and affiliated operations are being filled in conjunction with a specified principle and program."

Not hiring personnel for the public sector in a haphazard manner is, for Turkey, a very significant and positive development. This is because the existence of staffs swollen more than necessary has never ensured better provision of services. To the contrary, it has been the reason for impediments in services.

In order to be able to provide public services in a healthy manner, there is a need for qualified persons, not a large number of people. There remains the fact that the number of public employees gradually reduces possibilities to make use of budgetary resources and that, because of this, the possibility of hiring qualified personnel also is reduced.

According to our prime minister, "If it is noted that, after registering a 0.4-percent decrease in 1979 and a 1.1-percent decrease in 1980, the Turkish economy made a large improvement, developing at a rate of 4.2 percent in 1981 and 4.4 percent in 1982, and if it is calculated that 170,000 new job opportunities will be created in 1983, the development of exportation in particular and of our contracting services directed abroad bears importance from the standpoint of eliminating unemployment, which has attained the quality of a universal problem. Moreover, efforts will of course also be made to reduce the problems in the area of employment by making use of various supplementary elements such as applying broader programs of the state including the construction of mass housing and teachers' lodgings and encouraging the use of labor-intensive technology in the construction industry of the private sector."

There is no longer anyone who thinks or defends the view that a solution to the unemployment problem can be found by enlarging state staffs as in the past. The time has come to find realistic approaches for a solution of the unemployment problem that exists in Turkey. For this reason, we assess our prime minister's announcement as a ray of hope.

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CSO: 3554/108

## NEW STRUCTURE NEEDED IN CAPITAL MARKET REVITALIZATION

Istanbul DUNYA in Turkish 5 Jan 83 p 1

[Text] Ankara--Work of the Capital Market Council will be intensified, it has been reported, in order to revitalize stocks and bonds sales following changes in the tax laws.

On the heels of amendment of the income tax law, which will make it possible for industrial organizations to attain healthy, long-term resources, the Capital Market Council began, as of the first of the week, to undertake reorganization in this area. Meanwhile, it was announced that investigation of organizations that have applied for stock-exchange documents is being speeded up.

With changes in the income tax law, the principle has been adopted that declarations will also be given upon request for revenues that are obtained with transfer and interest-free profit-sharing documents and do not exceed 3 million liras. Furthermore, the recent tax modifications have ensured that the portion of revenues obtained from the purchase and sale of shares over the sum of 100,000 liras for the first year will not be included in the value-added tax. In this way, the tax burden on stocks and bonds has been reduced.

On another hand, with the revised evaluation system that is foreseen that will be put into effect with the adoption of amendment of the National Tax Law, which, it is expected, will be considered today in the Advisory Assembly General Council, it is anticipated that the issuance of capital corporations' shares will be accelerated.

Meanwhile, work to assess applications to the Capital Market Council for stock-exchange brokerage documents has been speeded up. At the conclusion of investigations that are underway with the help of Ministry of Finance inspectors, it is expected that the organizations that have earned the right to obtain stock-exchange brokerage documents will be announced by the end of the month. Following this announcement, preparations for the Capital Market Council's endeavors to encourage the purchase and sale of stocks and bonds will continue.

It was learned that work on regulations for the topics of investment corporations, investment funds, and profit-sharing licensing organizations, which

are being drafted by the Capital Market Council and sent to the Ministry of Finance, has also reached the final stage. Efforts are being made to complete regulations' preparations on these subjects shortly and to put the changes into effect.

It is being proposed that stocks-and-bonds investment partnerships that will be established as investment corporations to handle stocks-and-bonds portfolios act in accordance with the principle of registered capital, do not purchase stocks and bonds for more than the current stock-exchange value, and do not sell stocks and bonds for less than the current stock-exchange market value.

It is also foreseen that participation in stocks-and-bonds investment funds established by banks will be shown through regulatory "participation documents" including the number of shares in the fund. Being put forth is the principle of establishing the issuance of investment fund documents, each share having an issue value not to exceed 50,000 liras, and setting the value of purchase from the fund in accordance with bylaws of the fund that will be tendered.

It is expected that amendment of Article 26 of the Stocks and Bonds and Exchange Law will be put into effect in order for investment corporations and investment funds to be able to begin operating.

Enforcement of changes made so that individuals and organizations that are not registered on the stock exchange do not engage in the profession of the purchase and sale of stocks and bonds and so that those that are registered on the stock exchange do not take part in operations outside the stock exchange or do not set prices off the stock exchange has been postponed until 1 February 1983. If no decision is otherwise reached, it will be possible for the Capital Market Council, with changes that will be made in the text that will become effective at the beginning of next month, to put investment funds and investment partnership organizations into operation.

11673

CSO: 3554/110

## ADANA SURVEYED AS LEADING AGRARIAN PRODUCER

Istanbul DUNYA in Turkish 5 Jan 83 p 1 (Suppl)

[Text] While it has been involved in agriculture and animal raising throughout history, Adana, the capital of the Cukurova region, has, from time to time, become one of the important cities in commercial life.

Following the establishment of the republic, Adana very slowly exhibited a change from a basically agricultural structure to a primarily industrial structure. Vigor began to exist after 1924. In 1946, the state encouraged the private sector as well with the first cotton cloth factory formed by Sumerbank, and investments began to be made in the textile industry in particular. In 1948, Akbank, established by enterprising businessmen, was set up to serve Turkey in general more than the people of the region. In addition, PAKTAS (Cotton Trade and Industry Corporation), formed in 1951, Guney Industry, established close behind in 1952, Bossa, set up in 1953, and the Mediterranean Textiles Industry, founded in 1954, are in the position today of being organizations that are the idols of the Turkish textile industry.

As 1956 approached, seven more thread and cloth factories, two of which belonged to printing facilities, began operating in Adana. Seven vegetable oil factories, three flour factories, and one cement factory, the establishment of workshops of all sizes, and the dam built on the Seyhan River also in 1956 to deal with the energy problem added vitality to development in the industrial branch.

While investments, which made progress with great speed, were directed toward integration of organizations in the textiles branch of industry based on agriculture in 1960, the foods industry took a second seat. The development and activities of the most important factories in this branch, the Toroslar Vegetable Oil Factory and Paksoy Limited Corporation, strike the eye.

Rapid urbanization brought about by industrialization led to investments outside the textile and food products sectors. The Cukurova Cement Industry, which holds an important place in the cement industry, and the AK Cement Factory, which belongs to the private sector, are organizations that are significant in bringing foreign exchange into our country even today.

Whereas it was noted in 1960 that the share of the manufacturing industry in total income in Adana was below 20 percent, it was established that, in 1963, goods valued at a total of 612,313,000 liras were manufactured at 122 firms employing 13,322 persons, including 9,181 men and 4,141 women.

Industry, which registered continuous growth through 1970, quickly brought the topics of banking and the formation of joint-stock companies and holding companies to the agenda. While 11 percent of the capital of newly-formed corporations belonged to joint-stock companies in 1965, it was determined that this amount exceeded 50 percent after 1970.

In 1976, two out of every five spindles in Turkish textile factories were in Adana. At the head of the existing factories in the textiles industry are Teksa, which belongs to the Sabanci Holding Company, and Bossa. We can list the largest factories operating in Adana as follows:

Cukobirlik, Yurtas, Guney Sanay, Paktas, Mensa, Bossa, Ceytas, and Teksa.

According to 1979 figures, cloth production in Adana was 102 million meters, and this constituted 25 percent of the total products woven in Turkey. Furthermore, 60,000 tons of thread were produced.

A number of factories established in the Cukurova region are growing through integration, and, while every factory makes use of textile products based on agriculture, each is in a position to have developed as far as possessing dyeing units and even to be directed toward manufacturing ready-made clothing.

The food products industry remains one of the branches that exhibits little progress. However, there are, in the vegetable products branch and the vegetable oil sector in particular, factories that produce notable liquid and solid vegetable oils in our country with production surpassing Turkey's needs.

They are Marsa, Paksoy, Pakyag, Karatas Oil Industry, Nisanoglu Ceyhan Oil Industry, and Kamisli Oil Industry. Of these factories, Marsa, Karatas, and Paksoy also produce margarine. Each oil factory manufactures soap and is looking for markets in order to export it.

In 1973, the chemical industry's proportion of total investments had reached 62 percent.

#### Agricultural Production (Cotton, Wheat)

During the period between 1970 and 1980, 44 percent of cotton production and approximately 38 percent of cereal grains production took place in Adana, where cotton and cereal grains products are the chief agricultural manufactures. In Adana, which obtains \$200 million in foreign exchange annually from the exportation of cotton, industrial manufactured products surpassed traditional cotton products in 1981.

The agricultural equipment industry, which has the characteristics of an investment goods industry, continues to operate in a number of branches in the

Cukurova region and, today, meets over 7 percent of Turkey's needs. The agricultural equipment industry in this region is also successful in the area of exportation. As of 1979, the annual production capacities for agricultural machinery were:

Heavy plows, 400; cultivator hoes, 345; disk harrows, 1,321; cereal grain drills, 950; field harrows, 100; universal drills, 480; chemical fertilizer spreaders, 3,297; threshing machines, 7,009; and tractors, 8,863.

The trade sector, which is growing in parallel with developments in the marketing infrastructure such as transportation, communications, financing institutions, and storage depots, holds, at the same time, an important spot from the standpoint of being a sector that transfers resources to industry. Looking at the subject from this standpoint, it is possible to view development in Adana as concrete. Until 1950, marketing organizations remained very weak in comparison with agriculture, the traditional business, and it was not possible for resources created in this sector to be transferred to industry. Following 1950, however, resources amassed within the trade sector, which benefited from the development of the infrastructure of the economy, were transferred to the industrial sector and were able to prepare an environment for the creation of the third largest industrial community in Turkey today.

If an explanation of trends in Adana in 1981 and 1982 is to be made in terms of value using true figures because of the high rate of inflation, 49,000 persons are employed at more than 500 factories and businesses. This amount means more than 300,000 persons or over 50 percent of the population of Adana.

According to a study made in December 1982 by the Adana Chamber of Industry, 28 firms sold in 1981 industrial products worth a total of 110,775,485,000 liras.

#### Exports Total \$260 Million

The importance of the trade sector in Adana's economic life is very great from the standpoint of employment and value added. The significance of this sector stems from the fact that the goods produced and marketed in the region possess qualities sought on Turkish and world markets.

Within a period of 61 years, Adana has become a city that exports what it imported. In fact, this occurrence is a measure of the degree to which Turkey has developed since the establishment of the republic.

Whereas exports totaled \$72 million in the years, 1976 to 1979, they rose to \$90 million in 1980. At the end of 1981, the firms listed in the table exported goods worth a total of \$260 million.



Organizations Whose Industrial Manufactures Sales Exceeds 500 Million Liras

	(in liras)
1. Cukurova Cement Industry Turkish Corporation	13,004,420,470
2. Cukurova Union of Cotton-Agricultural Sales Cooperatives	11,952,337,214
3. Bossa Trade and Industrial Operations Turkish Corporation	10,462,270,471
4. Sasa Artificial and Synthetic Fibers Industries Corp.	9,779,697,879
5. Marsa Margarine Industry Corporation	8,956,038,925
6. Cukurova Electricity Corporation	8,846,098,774
7. Guney Industry and Trade Operations Corporation	8,561,906,000
8. Paktas Cotton Trade and Industry Corporation	5,841,605,347
9. Cukobirlik Central Thread-Cotton Cloth Factory	2,976,153,185
10. Teksa Textiles Trade and Industry Corporation	2,931,014,324
11. Tormak Toros Machinery Trade Corporation	2,782,056,410
12. Guney Brewery and Malt Industry Corporation	2,681,663,685
13. Pilsa Plastics Industry Corporation	2,625,015,877
14. Paksoy Trade and Industry Corporation	2,344,931,185
15. Ceytas Ceyhan Textiles Industry Corporation	2,179,748,856
16. Mensa Textiles Industry Corporation	2,101,308,650
17. Sumnerbank Adana Cotton Industries Organization	1,874,296,491
18. Karatas Oil Industry Corporation	1,550,564,710
19. Ozgur Atermit Industry and Trade Corporation	1,232,243,839
20. Cukurova Machinery Manufacturing and Trade Corporation	1,145,846,580
21. Meat-Fish Organization Adana Meat Combine Directorate	1,115,135,000
22. Yesiller Collective Corporation, Hasan Yesil and Son	1,084,459,871
23. Yurtas Yurekli Thread-Textiles-Oil Industry and Trade Corp.	1,016,425,633
24. Seyhan Industry and Trade Corporation	908,845,467
25. Basic Bolt Industry and Trade Corp., Adana Division	836,346,534
26. Karsiyaka Trade Limited Corporation	792,261,169
27. Mosas Metal Offset Packaging Industry Corporation	641,415,980
28. Fruko-Tamek Fruit Drinks Industry Corp., Adana Division	551,376,498

Firms Paying the Highest Taxes

Name	(in liras)
1. Marsa Margarine Industry Corporation	671,324,646
2. Cukurova Cement Industry Turkish Corporation	615,623,774
3. Cukurova Electricity Corporation	522,209,848
4. Guney Brewery and Malt Industry Corporation	308,309,782
5. Ozgur Atermit Industry and Trade Corporation	74,724,268
6. Cetinel Agricultural Machinery and Steel Foundry Industry and Trade Corporation	43,920,389
Total:	2,236,112,702

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## IMPACT OF GRAZ ELECTION RESULTS ON FPÖE

Vienna DIE PRESSE in German 26 Jan 83 p 5

[Article by Hans Werner Scheidl: "No Longer Nationalist But Not Yet Liberal"]

[Text] There was no need for seismographs in order to feel the shock waves of the medium-sized earthquake that hit Graz as far away as Vienna. The outcome of the election there not only gave the FPÖe food for thought; the SPÖe and the ÖVP did not come away with resounding victories either. In a first flush of elation, party chief Kreisky just returned from Paris was told that the 10 year-old deeply hated "bourgeois party coalition" in Graz had collapsed and that easy-going Alfred Stingl had won a seat on the city council. But what the old man was not told was that election arithmetic alone had been responsible for the gain and that Graz's SPÖe under Stingl had actually "achieved" the worst election result (the least number of votes) since 1945.

The ÖVP, for its part, can point to the fact that their man, Franz Hasiba, did add to the vote total, to the percentage figures and that he did gain a seat on the council even if his loudly proclaimed goal of capturing the mayoralty was not attained. At this stage, in fact, more and more observers are beginning to doubt that Hasiba will stay on as deputy mayor. There is a job waiting for him at the Land level because Franz Wegart, the lieutenant governor who also holds the post of commissioner of tourism, will soon be leaving. Wegart is the last of the ÖVP Land councillors whom Josef Krainer "inherited" from the team assembled by his predecessor Niederl. And since Hasiba also happens to belong to the ÖAAB, things are even simpler. The difficult proportional representation arrangements agreed upon by the various associations would not be upset.

But things have really taken a turn for the worse for the FPÖe. After losing the deputy mayor slot in Salzburg last fall, they have now lost the most important post at the communal level held by one of them in all the years since 1945. The visible downward trend of the FPÖe under Norbert Steger's leadership is continuing—even if it has not been across the board. At party headquarters, spokesmen tend to point to gains in voter strength in Krems, in the Burgenland and to the election of a new FPÖe mayor in Feldkirchen in Carinthia.

The new platform the FPÖ will have to come up with in February will essentially amount to a return to policies adopted in 1949. "We will have to steer a course even more distinct from the two major parties than before," says Joerg Haider who is helping to work out an "FPÖ Manifesto." "Wherever and whenever we took things too easy, the voters turned their backs on us," he adds. In a way, this might be interpreted as mild criticism of Graz FPÖ stalwart Alexander Goetz. "As time goes by, every reform movement loses its momentum," Haider says.

In Graz meanwhile, people think they know what the real reasons are why the voters turned away from the FPÖ. In 1973, Goetz campaigned on a brilliant reform platform, saying that he would depart from the well-worn path of the arch-conservative SPÖ communal establishment. During his first 5 years as mayor he achieved a lot and gained a large share of the middle-class vote in the process. But if there is one thing the man at the top must not do, it is show signs of weakness. And for the people of Graz at any rate it was just such a sign of weakness that Goetz relinquished his dominant position on the national level in 1980 and boat a grumbling retreat to the Styrian capital. Although he said that he gave up the party chairmanship and his seat in parliament for their sake, the people of Graz gave him no credit for it.

The Graz hammer blow probably came down on Steger's FPÖ at a particularly awkward moment. The party is caught in midstream: it has left the shores of its nationalist convictions but has not yet attained the shore of liberalism of a new kind. Steger and many of his followers are drifting downstream—not knowing what comes first: the rapids or 24 April.

Although there is a danger of it happening FPÖ insiders tend to doubt that Erwin Hirschnall will get caught in these very rapids when the Vienna communal elections roll around. Since Hirschnall has been exercising his opposition and control function on the city council assiduously, the voters will return him to his seat—at least that is what Steger's inner circle believes. That theory will be put to the test soon enough.

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CSC: 3620/199

## RAIF DENKTAS STATES POSITION IN NEW PARTY

Nicosia BOZKURT in Turkish 27 Dec 82 p 1

[Text] Nicosia--In a statement issued in the name of the Founding Council of the Fatherland Party, Raif Denktas, Hasan Nidai and Omer Adal announced that they have started work to form the Fatherland Party "with the primary aim of bringing a modern order to our fatherland and social justice to our community." Following is the text of the statement signed by Denktas, Nidai and Adal:

"The new Turkish Cypriot generations are being prevented from living and prospering in a humane system based on freedom and social justice by the sterile thoughts and personal considerations of the unspirited and unidealistic leaders of existing and influential parties.

"Those who have been authorized by our people to work for the people have drifted so far away from the people that they do not hesitate to use that authority for their own interests; they have come to represent themselves rather than the people.

"The leadership cliques of the parties have, out of personal ambition, broken the parties away from the citizens who have placed their faith in those parties and have moved to establish their own fiefdoms by delegate games. Those who buried social democracy in the Assembly have murdered intraparty democracy in their own parties. All the past mistakes of the parties in Turkey are being repeated in Cyprus; no lessons are being learned from past events.

"Workers who have never spared their labor but who have never received what they deserve, patriotic intellectuals who want to live in an honest and just system, young generations who are forced to see their future only in emigration and our fighting people who believe that the national resistance war was not fought for a degenerate system want to make their weight felt by making themselves heard effectively in the political field and to stop this unconscious slide into a quagmire.

"The need for careful organization and good utilization of time is well known for the establishment of a new social order based on social justice which is the desire of all honest citizens. In particular, the founders and workers of the National Unity Party who have been disappointed by the party and the militants and the rank and file who have carried the party on their shoulders for years have come to the conclusion that the party has been incorrigibly corrupted. This

big mass feels it has been left in a vacuum. Those who have taken control of the party think they can keep the party and the community under control by using assistance sent by the Motherland at the government level. These individuals are spending this assistance for purposes other than what was intended. Past experience clearly shows that, in this environment, the National Unity Party cannot be reformed by a struggle from within. Struggle by democratic means is not possible in a party where democracy is trampled upon. This fact is valid for the other parties as well. The electors do not trust those they elect.

"The initiation of a political movement that will change the destiny of the community is essential in this unfavorable environment, even if such an effort will mean boring a well with a mere pin. Those who share this belief are working to form the Fatherland Party. Our primary goal is to bring a modern order to our fatherland and social justice to our community.

"Our work to formulate a party constitution and program is continuing through our contacts with our patriotic colleagues and organizer friends.

"We will not surrender the new generations to the degenerate system."

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CSO: 3554/104

## ISSUE OF LATITUDE OF AUTONOMY ENTERS ELECTION CAMPAIGN

Copenhagen INFORMATION in Danish 15-16 Jan 83 p 6

[Text] Debate on a so-called Faeroes arrangement divides the two largest parties.

(Ritzaus Bureau) The question of a possible elimination of the Ministry for Greenland Affairs has cropped up in Greenland in advance of the election to the Greenland Lansting [parliament established through the Home Rule Charter] in April.

In the meantime, the existence of the Ministry for Greenland Affairs has been debated ever since the introduction of home rule government in 1979, but the struggle surrounding the person of the present minister of Greenland affairs, Tom Hoyem, has further enlivened the issue.

Leading politicians of all the parties in Greenland have demanded his dismissal, based on a number of disagreements, first of all regarding fishing near Greenland [by EC countries], but also due to some remarks he made about the killing of Canadian baby seals, remarks which are considered unfortunate.

The Greenlandic head of government, Jonathan Motzfeldt, who is also chairman of the Siumut Party [for looser ties with Denmark], will not directly speak out on the issue of the person of Tom Hoyem, but at a meeting of the Greenland Society in Copenhagen, he expressed that the time is ripe for discussing the future of the ministry.

"There is a continued need for that expertise possessed in the Ministry for Greenland Affairs, but based on experiences from the first 4 years under home rule government, we ought to evaluate the roll of the ministry," Motzfeldt said, at the same time citing a solution which was used in the case of the Faeroes, which are directly under the office of the prime minister.

Minister for Greenland affairs Tom Hoyem (Center-Democrats), who presided over the meeting, has said that the four-leaf clover coalition government will last for 7 years, but Jonathan Motzfeldt said to Ritzau wire service that he does not expect that ministry--in any case--to last that long.

The meeting, which dealt with the first election period under home rule, turned into something like a campaign meeting, with a duel between Motzfeldt and the leader of the opposition party, the Atussut [for former ties with Copenhagen], Lars Chemnitz, who felt that Greenland is still best served with its own ministry.

In other respects, the lines in the election campaign are being drawn somewhat less distinctly, but Jonathan Motzfeldt made it clear that Siumut will not once again bring up the issue of EC membership.

"That matter is undebatable. We are not going to waste more energy on it. A majority is a majority, regardless of how small it is," he affirmed, referring to the approximately 1,400 voters who in the plebiscite last year decided that Greenland would pull out of the EC.

Nevertheless, it seems clear that the EC issue will continually crop up during the election campaign, since Atussut's leader, Lars Chemnitz, inevitably turns back to the loss of millions of EC kroner, in discussing long-range economic policy, etc.

Jonathan Motzfeldt mentioned that Greenland can count on some income with the sale of fishing licenses to the fishermen of other countries, after Greenland's quitting of the EC.

"All foreign fishermen will pay in order to fish for those fish we ourselves will not be able to catch. Otherwise, we would be idiots," he said.

However, this does not harmonize with what has so far slipped out regarding the attitude of EC member countries to possible cooperation after withdrawal. Among other alternatives, Greenland wishes through a so-called overseas lands and territories arrangement to have free access to the Common Market for its fish products, but the member countries seem disposed to this only under the condition that a "satisfactory agreement" exists for admittance of EC fishing craft into Greenlandic waters.

CSO: 3613/56

## BRANDT ON ELECTION, DOUBLE DECISION, ANDROPOV OFFER

Bonn VORWAERTS in German 20 Jan 83 p 2

[Interview with SPD chairman Willy Brandt by Gode Japs, date and place unknown: "The Race Is Undecided"]

[Text] [Question] CDU secretary general Geissler all but likened the social democrats to criminals. How does it feel, Mr Brandt, to be the head of a "gang of criminals" ?

[Answer] I feel quite all right. These vicious attacks of Mr Geissler's merely show how insecure they are and for that matter, the CDU leadership has every reason for feeling insecure. The Hamburg regional election gave them a bad shock—and understandably so. In addition, I really do believe that Mr Geissler—who moonlights as our minister for youth and family affairs—just did not have the time to check his Brecht. Still, it does constitute some progress that he did not repeat what then foreign minister Brentano said in the Bundestag some 20 years ago. Brentano, after all, was all for equating Brecht with a storm trooper like Horst Wessel. But if Geissler had really read Brecht's "Galileo" he would have found that just before the passage he quoted there is another that goes as follows: "We may yet live to see the day when we will no longer have to look left and right like criminals, if we say 'two times two is four.'"

[Question] Despite these remarks of Geissler's, can you see any way for the campaign not to get out of hand—such as by concluding a fairness agreement ?

[Answer] I am not too optimistic about that. You can see the hypocrisy behind Geissler's sally when you consider the fact that it was delivered on the same day that Mr Stuecklen said he wanted to meet with us to discuss just such a fairness agreement. And just the night before, the president—whom I have no intention of blaming for anything—called on all the political parties to wage a campaign centering on the issues. I think it would be a good idea to try to reach an agreement on time limits for election posters. But other than that, it would be childish to think that any kind of fairness agreement could prevent a Geissler-type attack. The fairness agreement concept has been rendered absurd by his blast.



[Question] Now that Hans-Jochen Vogel, the SPD candidate for chancellor, has visited Washington, Moscow and Paris, CDU/CSU politicians are accusing the SPD of relinquishing the common principles of German peace and security policy.

[Answer] These are unheard-of accusations. I have appealed to Mr Kohl to put an end to these accusations and defamations which poison the atmosphere and are harmful to German interests. I do not find it terribly convincing that the very people who attacked our detente policies for years are now making it appear that they are the keepers of the continuity of past German foreign and security policy. Both in Moscow and in Washington, Vogel interpreted the NATO twin-track resolution as it needs to be interpreted, if one is concerned about vital German interests. In contrast to Mr Kohl, who sounds as though he is asking for a mandate to deploy the missiles no matter what, Vogel is saying: I am asking for a mandate—and we others who are running on the SPD ticket are asking for a mandate to do what is humanly possible to make the deployment of further nuclear missiles unnecessary. This does not fly in the face of the December 1979 twin-track resolution by NATO which said after all that the final decision should be made on the basis of substantive negotiations. What the SPD is trying to do is to place the proper emphasis on things—based on German interests. Vogel made an impressive effort to do just that on his visits to the United States, to Russia and France.

[Question] What is your view of the most recent disarmament proposals by the Soviet Union ?

[Answer] At the very least, I do not think they can just be brushed aside. No one who thinks about such things seriously will say that the Soviet Union is laying out its ultimate negotiating position in any public statement it makes. But what has been made public gives an indication of sufficient movement. It indicates a readiness to negotiate seriously so that we as Germans can say: Do not pass this proposal over lightly but instead approach it along the lines described by Vogel. No doubt there are quite a few questions to be put to the Soviets as yet. Put in a colloquial way, the matter has not been teased out completely, I am sure. But, as a contribution to further discussions about these difficult problems, both the Andropov proposals are important and the statements that came out of Prague after he and the other East Bloc leaders met there.

[Question] The Soviet Union also wants to see French and British nuclear weapons included in the Geneva negotiations. Should the Western alliance agree to that ?

[Answer] There certainly is a danger of a misunderstanding on that issue now. If you say that the French and the British weapons can hardly be left out of consideration when you look at the global equation, there will be very few reasonable people opposed to it. To be sure, both nations are part of the West. Everyone knows that. But the misunderstanding easily arises when someone like us would say they should of necessity be included in the

medium-range missile talks and those on intercontinental missiles. For all that, there is no mathematically sure way of drawing the line between these two types of weapons. As for me, I would not consider it terribly fruitful now to pursue the controversy about this Soviet proposal any further. Nonetheless, it does point up the connection between the two and calls attention to the fact that if and when global agreements are reached no one will seriously dispute the fact that appropriate British and French weapons will have to be included on the Western side.

[Question] Let us return to domestic politics. What, in your opinion, have been the worst mistakes of the Kohl-Genscher government thus far ?

[Answer] I would find it easier to respond, if you had asked me what they have done right. I cannot see them taking the principles of social fairness and of justice seriously enough. As far as legislation on rents is concerned—to refer to that particular crucial issue—they went a great deal further than what we worked out under the socialist-liberal coalition—even if they now say it is not so. Clearly, this worries a lot of people. But I am just citing it as an example similar to the blanket cuts in student subsidies which not only affect the young people directly concerned. It is all part of setting the course backward—a return to an era where children from well-to-do families were able to get a higher education without any difficulty whereas children whose parents were worse off materially did not have that opportunity. That is the kind of policy we think is wrong.

[Question] In view of these policies, do you think the SPD has a chance to get back into government after the 6 March elections ?

[Answer] The big surprise for many people is that the race is undecided right now, in January 1983. As chairman of the SPD, I really cannot go beyond that. But 6 months ago, hardly anyone would have thought it possible to say in good conscience that the race was still open. Apart from that, a lot depends on just how many parties will make it into the new Bundestag. The possibility that there will be only two fractions represented after 6 March cannot be entirely excluded. In that case, the pivotal question is which of the two major parties is ahead. And I am not telling any secrets when I say that there are several percentage points at present dividing the SPD from the CDU/CSU. But the SPD has already reached the percentage it got in the 1966 Bundestag election and the actual campaign has not even taken place as yet. That is a big change as against early fall in 1981. The campaign itself can help us gain a few more crucial points. That is why I would hold to what I said before: the race is undecided as yet. But that is only another way of saying that I think we have a chance. It is not a sure thing, but we do have a chance.

[Question] But it cannot be excluded either that the Greens will make it into the Bundestag. They have now indicated that they are prepared to support an SPD minority government under certain conditions...

[Answer] I am not aware of where a binding statement such as the one you have mentioned has actually been made. As for me, I heard Ms Kelly say last week that she as well as all those working with her in the Green movement look upon the SPD as their primary adversary. I will not return the compliment. The SPD looks upon the CDU and the CSU as its main adversaries. But the SPD will not give up votes to anyone that it can get for itself. In fact, the SPD is fighting for every vote including the votes of those who have a special interest in peace and in the environment--particularly in view of the fact that the SPD feels it must not support any trend that might indirectly hand the leadership role over to the CDU/CSU. In a word, our real adversaries are the CDU and the CSU. All others are not in this category as far as we are concerned.

[Question] You did not say a single word about the FDP just now...

[Answer] Nor do I intend to say much else about it except that I think there are good reasons this time for liberals to give their vote to the SPD—not only because some members of the FDP fraction came over to our side but also because they should realize that all the measures initiated by the socialist-liberal coalition can only be carried forward by the SPD. And another thing: all those who are unhappy about the things the FDP has done over the past year and about how they pulled the plug on Chancellor Schmidt will also know what consequences they must take. But people know all that themselves and I can therefore refrain from mounting a special attack against Mr Genscher at this time.

9478

CSO: 3620/197

## PCF OFFICIAL ON DEFENSE POLICY, MILITARY SERVICE

Paris CAHIERS DU COMMUNISME in French Nov 82 pp 62-67

[Article by Jean Marrane, secretary of the National Defense Commission of the PCF Central Committee and editor of CORRESPONDANCE ARMEE-NATION: "Military Policy and Political Struggles"]

[Text] The intensification of the political battle in our country and the greater pressure being exerted by big business and right-wing parties on the government to influence its directions and decisions are also evident in the area of national defense and the armed forces.

Defamatory campaigns are being carried out this fall on several levels, mainly targeting the proposed 1983 defense budget, stressing that it would not be increased as much as the national budget. But an analysis of the arguments shows that this is, first of all, a pretext used to call into question the leftist government's ability to meet defense requirements. The aim is to reduce confidence in the government and to create an unstable climate favorable to adventurism.

## Opposition's Angles of Attack

Since May 1981, antiprogressive forces have been looking for a method of attack in this area, in which the right's positions and influence are not weak. They have been busy on two levels, while nevertheless exercising a certain amount of caution: concerning major concepts of political-strategic orientation and categorical concerns. In the latter case, agitation was particularly orchestrated last winter around the principle of limiting pluralism. But this commotion was finally cut short because of a balance of the measures decided and when the mass of military retirees began to feel that, materially, the operation consisted first of all of preserving the financial advantages of a few retired general officers who had gone back to work in the private sector.

On the political-strategic level, the RPR-UDF approach during this period consisted of saying that the leftist government had opted for "continuity." In short, the former government's choices were right and the new government leaders had only stepped into the shoes of their predecessors.

A statement made by the prime minister in September 1981 to the Institute for Advanced National Defense Studies [IHEDN], and quoted in the commercial press, was exploited for this purpose. In military matters, when the intention is to defend the country, there are naturally continuities, long-lasting realities which defense policy must consider. But the ways of doing so are diverse and vary according to the established goals. Thus Giscardian thinking and several of its well-known concepts, such as those on the "battle of the front," "a single space"\* and the ensuing concrete provisions, which led France to follow in the wake of U.S. strategies, to which were added neo-colonialist operations, for which a professional army is useful, constituted an orientation and a whole.

But something else happens when the highest officials of the government abandon these concepts and actions, when the emphasis is placed on conscription by the Ministry of Defense while assuring nuclear deterrence capability, when foreign policy demonstrates its independence, when economic and social policy take a better course.

Even if much remains to be done, there are enough facts in this regard for forces hostile to the left to now repudiate the "consensus" to which they were previously attached in the case of defense. Right-wing parties are fighting tooth and nail, using the 1983 budget as a pretext and targeting the policy which is meant to conform to the interests of workers and the nation.

#### Fear of the New

RPR and UDF leaders are trying to outdo each other making apocalyptic judgments. In LE MONDE, Mr Paecht, a UDF deputy, wrote an article entitled "Kaput," and Mr Lancien, an RPR deputy: "A Matter too Serious to Be Entrusted to the Socialists." Another one, Mr Leotard, the RPR's general representative, told RTL [expansion unknown]: "It is extremely serious that in a country faced with international tension, as we are, we are in the same situation as in 1936, when military spending was sacrificed," thus not hesitating to mix a caricature of the present with historical fallacy.

For after all, the 1983 defense budget, a transition budget preceding the 1984-85 Military Planning Bill, which will be submitted to parliament next year, totals 133,222 billion francs in disbursement funds, excluding pensions. It increased by 8.44 percent over 1982 and, like last year, represents 3.895 percent of the estimated commercial gross domestic product. Considering the figure of 8.3 percent deducted for inflation, it maintains in constant francs the resources allocated to the armed forces. Funds earmarked for nuclear forces will increase more (+21.77 percent for program authorizations and +14.29 percent for disbursement funds), while the operational readiness of conventional naval, ground and air forces will be maintained.

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\*See the analyses of these concepts in the September 1976 and September and November 1981 issues of CAHIERS DU COMMUNISME.



With regard to units of ground forces, plans have been made in particular to raise the number of days of training with materiel from 47 to 50 and to increase munitions allocations by 16.6 percent in order to step up firing training.

However, another campaign has begun--with the help of LE MONDE and LE FIGARO--which ostensibly bemoans ground forces in particular, because changes in structure or overall composition would be studied, and even adjustments in the strength relationships among our principal forces. In this regard, it seems that the very idea of a new army, devised by Jaures, would upset some critics. But why should we stay the same? Isn't it appropriate to open a debate, especially in view of the future Military Planning Bill? Communists are in a position to take part in this debate and to make a constructive contribution to such studies, with which it would be natural for them to be associated. This would be an application of Jauresian thinking, which includes the valid observation for today and for the future that the nation's strategy, like its political and military organization, should be submitted, not in the details of its operations, but in its principle, its rules, its methods and its purpose, to the entire country's discussion, understanding, debate and examination.\*

Let us add that the consideration shown for ground forces was further evidenced by the visit of the president of the republic to Camp Canjuers (Var) on 15 October. The camp's existing facilities for the instruction and training of personnel, which are of great benefit to draftees, are world renowned.

With regard to military funds, of course, there are some sectors in which belt tightening is taking place. We may wonder and discuss: why this one or that one? Such is the case of arsenals. What is happening to their stocking plans? What about the purchasing power of personnel? What vigorous action is being taken for truth in pricing of weapons in industry (state sector and nationalized sector)? It is nevertheless apparent that the essential requirements of existing national defense forces are assured.

And above all, it cannot be denied that the 1983 national budget was itself submitted in a spirit of "austerity." It must take into account the economic and social situation in which the previous government left France, whose liabilities are very great. Big capital has weakened industrial potential, disorganized research, education, etc. In doing so, it weakened the defense capabilities of France. But in point of fact, regarding productive investment, employment, vocational training and regaining control of the domestic market, the policy of the socialist-communist government expresses a will for recovery. Concrete measures must have the same rationale, of course, in order to produce the best results for defense and security in peace.

The effort for peace, and for the beginning of a general disarmament, can moreover only be reinforced by Mr Francois Mitterrand's formal denial of the false report, of U.S. origin, that France has begun production of neutron weapons. If the words of the chief of state and commander in chief of the

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\*"L'Armee nouvelle" [The New Army], Editions sociales.

armed forces are part of the customary language of nuclear deterrence, in terms of their firmness, they are nonetheless basically different from the erroneous and dangerous concepts supported by former president Giscard d'Estaing, which claimed that France should acquire all new weapons. It is not in our country's interest to encourage overarming; quite the contrary. Wisdom requires that we stick to the needs of France, taking into account its geographic and economic conditions and the international political situation, and that we help to reduce the tensions arising from the arms race.

It is certainly all of this that the cries and campaigns of forces hostile to the government, and which would like to reverse the country's direction, want to be forgotten and to fail.

#### Military Service and its Content

It is also in our interest to understand that today, in addition to the attacks on the budget, there is constant pressure for giving total predominance to the professional type of army, a type of army that was formerly suited to the political system of absolute monarchy.

Moreover, pressures are again becoming consistent concerning the "defense of Europe" and its auxiliary "European army." The CDS [expansion unknown], a component of the UDF and a member of an international "European people," recently called again for an alignment with U.S. positions. Its defense official, Jacques Barrot, said that "studies are multiplying at the European level on necessary European defense."

These two approaches, a professional army and a European army, have a common political basis and can be linked organizationally: the result of either, in effect, is the dismantling of the national army dedicated to the exclusive service of the nation. The first approach leads to this by removing the masses of our people from the army; the second approach leads to this by putting our army under foreign command for interests other than our own.

This explains why, in the current political battle over defense policy and resources, the problems of conscription and military service--and of reserves, which are increasing in intensity--deserve serious consideration.

Various facts confirming this have recently come to light again. Mr Chirac's party is not beating around the bush and has demanded that the length of active military service be reduced by no less than 4 months. Even though the experts unanimously agree that more than 6 months are required to obtain operational value on the level of an age class. The RPR's formula is demagogic because it speculates about the lack of military knowledge of many people and about the somewhat naive motivation of some people, which urges proposing a "civilization" in the extreme of military service. This overlooks, or in any case misunderstands, the fact that military service does not exist to make up for the deficiencies of the educational system, sports or vocational training (it is common knowledge that the respective communist minister, Marcel Rigout, is very concerned about this). If the path recommended by RPR leaders were taken, conscription would serve only to provide superficial training for draftees--somewhat tougher scouting in a very sparse style!



Conscription would then become a screen for concealing abandonment of the real army to career men. But most career officers well understand, and have said so on occasion, that such an approach would have disastrous consequences for the national defense capability of our military forces. Human realities require that efficiency depend not only on the capability of weapons--even if they are the most modern--but also require the determination and help of the entire nation. The communists, regardless of what their critics may think, tend to understand this, those who are explaining to the working class, to intellectuals and to farmers that the delegation of power is a politically dangerous position.

At the same time, it is worthwhile to note how the government is proceeding. In this regard, concrete shape has been given to the 30 measures decided a year ago by Defense Minister Charles Hernu for improving military service, and to which other provisions, announced on 14 July, have been added. We should recall that these latter provisions amended the General Discipline Regulation by granting more guarantees and rights to draftees, in particular the approval of the right of expression and the right of protest. Moreover, an experiment is underway to find a new and more democratic way of appointing the members of participatory commissions, which are now compulsory in military units. A positive assessment was expressed in L'HUMANITE: "It is undeniable that this set of measures is evidence of the government's willingness to alter the content of military service, even though it has stated on several occasions that it is not among its immediate intentions to reduce the length of military service, which is still 12 months."\*

It was in the same spirit, regarding the determination to build an army based on conscription, with military service lasting approximately 1 year, that the recent statement to the IHEDN\*\* by Prime Minister Pierre Mauroy was generally received. Even if it is necessary to think about the organization of military service, as he requested, in view of the necessary modernization and democratization, up the line, of military training and, down the line, of reserves. It is true that in this regard as well, the communists have already provided studies which can only contribute to more thorough considerations.

One of the latest such studies was also produced just before the summer, on this very subject, at the time of the congress of the Communist Youth Movement of France. CORRESPONDANCE ARMEE-NATION published the full text of this document under the title "Military Service. Why? Changes to Be Made."

Its richness and the value of its argument are real, regarding both nuclear deterrence, disarmament, the content and length of military service and possible immediate reforms and the behavior of young communists and democrats toward the army and during their time in uniform. This document forcefully poses

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\*Louis Baillot, official of the PCF National Defense Commission, L'HUMANITE of 27 July 1982.

\*\*At the opening of the 1982-83 session of the IHEDN, in which a communist member of parliament, Serge Boucheny, participated for the first time since the institute was created!

the major question of the people's participation in the responsibilities and duty of defense, for it is true--as international events constantly remind us--that a people who want to be free both within and beyond their borders cannot skimp on their duty to the armed forces.

Opponents of an army of conscription, of progress toward its democratization--which is a form of army modernization--weren't taken in. They immediately tried to discredit the communists on the basis of fabrications intended to destabilize the left. According to them, our goal was to divide the French Army, to infiltrate its command posts, to make it fall into the lap of the PCF! This is grotesque.

Will anyone be surprised that in such an attempt the American daily NEW YORK TIMES followed the example of LE MONDE, which was also imitated, in their own way, by antimilitary left-wing groups still in existence? These people prefer not to understand or deliberately lie. Our only aim was to urge young citizens, including young workers and revolutionaries, not to refrain from participating because military service isn't perfect. We urged them to make an effort, to work "on the job," along with other citizens, with workers, with those on active duty and committed people who are also determined to see that France has a good means of national defense for its security and its independence.

#### An Encouragement for Communists

We should also note that, during this period, falsifications are not limited to the positions of communists on military service. We have thus seen a distortion of their approach to stopping the arms race and in favor of such initiatives that would in no way be detrimental to any country's security. The argument which we have developed, and which justifies the universal banning of neutron weapons, has received the same treatment. Is this perhaps a sign that our enemies are very bothered by our policy of national defense and peace and the support which it is receiving? This can also be an encouragement to continue implementing this policy ....

In fact, everything suggests firmly establishing the program for national defense and for a democratic army. Far from being a marginal matter, reserved for specialists, it is an integral part of the general battle for change. Of course, there are many obstacles. But we are determined to overcome them in a spirit that is both offensive and very constructive at the same time.

11915

CSO: 3519/238

## PASOK PLANS WIDE POLITICAL 'ENLIGHTENMENT' CAMPAIGN

Athens TA NEA in Greek 18 Jan 83 p 1

[Text] The PASOK Executive Office has decided to embark on a wide program of "enlightenment of the citizens" with respect to both the achievements and the problems of the government, by way of mobilizing the 3,500 organizations of this movement throughout Greece.

The PASOK Executive Secretariat has already definitively fixed the types of "open political action and struggle" to be engaged in by the organizations, with this campaign to begin next Monday in Attiki and to last until the end of March.

According to this program, special committees made up of officers and members from every local organization of PASOK will begin activities on a regular basis in all the districts of Athens, Piraeus, and their suburbs, not only with mass events (meetings in assembly halls, discussions in coffee-houses, banquets, and so forth), but also with contacts at job sites and in places of learning, in the public markets, and at local unions, associations, and so forth.

#### From Neighborhood to Neighborhood

This campaign for the truth, which has the objective of enlightening and engaging in a dialogue with the citizens "from neighborhood to neighborhood and from coffee-house to coffee-house," was decided on following the discovery that there are groups of citizens who are still inadequately informed about the work of the government and about the objective difficulties which the government's policy is facing, with the result that they fall victim to hearsay tales and demagoguery.

For this reason, PASOK's 2-month enlightenment campaign and counterattack to generate support for the government's policy will be dominated by informational efforts and by a popularized analysis with respect to day-to-day issues such as the cost-of-living adjustment, the devaluation of the drachma, the deficits in the budgets of the public organizations, inflation, and the price index.

With this campaign, which began last week in certain areas of the country and which will extend to the farthest village, PASOK believes that it will be marking off a new point of departure for future organizational activity.

In this connection it should be noted--as stated at this movement's recent conference of nomarchy committees--that despite the large number of new PASOK members, thousands of applications by followers for joining PASOK organizations are pending at all times. For this reason, the new organizational secretary of the movement, Khristos Papoutsis, informed the nomarchy committees that "frequently we appear to be afraid of the people, to not want others into the movement."

#### Reconstruction

According to reports received by TA NEA, a decisive milestone in the organizational reconstruction of PASOK will be the tenth meeting of the Central Committee, which will assemble next month. More specifically, by the time of the convening of the PASOK congress in November, five all-Greek conferences of officers (of professionals, small and medium-sized businesses, self-government, workers and employees, and farmers) will have taken place.

At the same time, beginning next March there will be regional organizational conferences in every region (Peloponnisos, Sterea Ellas, Makedonia, Crete, and so forth) for the specific analysis and particularization of the decisions made by the Central Committee.

Simultaneously, regional councils will be established which will consist of the three-membered secretariats of the nomarchy committees of each region.

Finally, the PASOK Executive Secretariat has decided--without as yet specifying the time this is to occur--on a "coordinated all-Greece drive" by this organization as a whole, together with the party's officers, ministers, and deputies, for the purpose of a political dialogue with the people.

12114

CSO: 3521/168

## AVEROF SUCCESSION ISSUE IN POSSIBLE EARLY ELECTIONS

Athens EIPKAIRA in Greek No 755, 20-26 Jan 83 p 17

[Text] As the feeling begins to spread to a significant portion of the public that the "countdown" has started for calling elections by the PASOK government, the freeze with respect to changes in the New Democracy Party is beginning to thaw, from the bottom to the top. The demand being made by the rank and file in the party of the official opposition has to do above all with a speedy clarification of the situation at the top level of the leadership, so that the ND can be prepared--both politically and in terms of election readiness--in case Papandreou seeks to find an "escape hatch" by means of a sudden election showdown.

And even those who do not accept the likelihood of early elections still side with the above demand, their argument being that the present confusion and disorganization in the ND is very likely to be an incentive for an attempt on the part of Papandreou to drop the bombshell of early elections.

## Short-term Developments

It should be stressed that these ideas and developments are not directed against the present leadership. They simply spring from a general assessment of the situation, taking shape on the basis of certain actual events and predictions as to the future, which may prove to be short-term in nature and of "limited" scope. It is stated in this connection that although Evang. Averof is able and willing to lead the "counterattack" of the ND in its attempt to regain the power, nevertheless to completely recover his health he still needs a period of 2 or 3 months away from the political scene. It is said that after his return to Greece, his doctors recommend that he should remain at least until April outside the "strife of politics" in the mild climate of an island--such as Rhodes or Crete--in order to recuperate fully and be able to stand up to his daily duties. Therefore a problem arises as to this "critical" 3 months when there will be a vacancy in the leadership in the ND, in conjunction with related developments which may ensue, since the "initiative for maneuvering" has passed over to its adversary.

## Concerning the Succession

Therefore within this climate it is possible that Averof himself may put into operation the process of his succession, given that all other actions must be

ruled out following their rejection by the majority of the party's Parliamentary Group. If this happens, at present the chief contenders for the leadership are seen to be Stefanopoulos and Kon. Mitsotakis, with a third solution being equally probable, namely the return of G. Rallis.

#### The Three Scenarios

In the opinion of his supporters, Kon. Stefanopoulos represents an infusion of new blood, but his opponents doubt that he has leadership qualifications comparable to those ascribed to Mitsotakis. The worries concerning the latter center on two significant shortcomings: Firstly, the fact that he does not come from that faction which is represented by the ND at the present time, and secondly the fact that it is believed he will have a hard time attracting voters with a centrist background who had switched over to PASOK in the last elections. In addition, a portion of the "enlightened Right" is looking forward in its thinking to the possibility that a bipartisan cooperative effort between the two largest parties may become necessary in the future, in which case it is thought that it will be easier to succeed with this "emergency solution" if Mitsotakis is not in the leadership of the ND.

#### The "Rallis Issue"

In any case, what is certain is that all these worries have led to the revival of the "Rallis issue," although so far the former premier himself has not shown any interest in returning to the leadership of the ND. There is no doubt that the "Rallis solution" presents serious difficulties, for two reasons above all: Firstly, because if the Parliamentary Group changes into approval the disapproval it has voiced within the last 14 months toward the leadership which conducted the last elections, this will suggest at the least a lack of seriousness on the part of this group. And secondly, because Rallis is not disposed to again submit to the verdict of the party's deputies.

Under these conditions, the people who support this solution claim that these difficulties can be overcome merely by the signing of a protocol consisting of an appeal to Rallis to again assume the leadership of the ND. Provided that this protocol musters the signatures of 70-80 deputies, the requisite polling in the Parliamentary Group becomes entirely formal, and the entire scheme has the elements of a "genuine repentance" which does not create new problems for the cohesion of the party.

#### Predictions Difficult

The numerical strength of the various movements within the ND is difficult to ascertain, and it is even hard to evaluate which among the existing scenarios has the most or the least chances of happening. A secretive and tight-lipped attitude among the deputies is almost absolute at this time. In the ND's case, the abolition of the preferential vote and the consequent direct dependence of the deputy's fate on the inclinations of the leadership are revealing their first adverse consequences.

Under these conditions, this period of avoiding the taking of any initiatives--or even of expressing any opinions--may be prolonged if the issue of leadership is not raised by Averof himself or does not become urgent and imperative due to the course of events.

External factors which can also change the present circumstances are a dispute within PASOK, the introduction of simple proportional representation, or even the outbreak of a crisis in the form of social unrest, which--in the best of cases--may lead to a new political constellation of forces.

12114

CSO: 3521/168



## CHURCH-STATE ACCOMMODATION VIEWED AS ESSENTIAL

Madrid ABC in Spanish 16 Dec 82 p 51

[Text] Madrid--"For the time being, there has been no institutional encounter between the church and the new socialist government, but there can be no doubt that such a meeting must occur." This statement was made by the secretary of the Episcopate, Monsignor Fernando Sebastian, at a press conference held at the headquarters of the Episcopal Conference. Monsignor Montero, for his part, said that the recent statements by the new general director of the RTVE [Spanish Radiobroadcasting and Television] "are constructive in intention and a basis for dialogue and an excellent understanding between the parties."

To a question posed by ABC, Monsignor Montero, who is president of the Episcopal Communications Media Commission, responded that no contact has been established to date with the new RTVE administration in connection with the religious programming currently being seen on television screens. However, he added, "I have read the statements by Mr Calvino with care and I can say that I am no more concerned than before in connection with religious programming."

In response to questions from journalists, the secretary of the Episcopate also discussed relations between the church and the new government, indicating that the bishops, in their pastorate, neither can nor should ignore the development of Spanish society and its new expressions. Monsignor Fernando Sebastian, who presented for the bishops' plenary assembly a "reflection on the papal voyage," suggested to the prelates that it is desirable to contemplate the possibilities, in the exact words of the bishop of Leon, as to "what the characteristics of our ministry given the present situation of Spanish society under a socialist government should be." Expanding on this suggestion, Monsignor Sebastian said that "The pope's trip was made under special and important circumstances, such that it should not be isolated from the surrounding context. It should be studied and implemented in a way consistent with that context, and therefore, if we bishops want to carry out fruitful pastoral work, we must understand and even anticipate the paths society is taking. These paths have not developed in just the most recent times, but there can be no doubt that they take on special importance within the framework of a socialist government."

## Useful Conclusions and the Risk of Manipulation

The papal trip to Spain was the main subject discussed in the first 2 days of the Thirty-Seventh Plenary Assembly being held in Madrid. The report

submitted by the secretary of the Episcopate gave rise to discussion and an exchange of impressions among the bishops. The debate focused on the doctrinal aspects of the visit, the parts thereof most directly affecting the bishops and their pastoral tasks, and the risk of manipulation which may exist. On the last point, Monsignor Sebastian commented on the bishops' fear that "the papal teaching may be used as a point of departure or may be appropriated for the pursuit of special interests." In any case, the spokesmen for the Episcopate said that "There is a serious desire to make of the pope's trip more than celestial music." The bishops want the seeds sown by the pontiff to bear the greatest possible fruit, and if indeed it is not believed that this assembly will produce a document, it is certain that the participants will draft a series of conclusions to make their reflections on this historic event functional and effective.

During another part of the press conference held by the Episcopate yesterday, Monsignor Sebastian said that "There was no discussion at these meetings of the juridical transformation of the Opus Dei, but there is a desire to study it and to see how the results of this conversion of the Opus Dei into a personal prelacy can be articulated on the diocese level." Monsignor Sebastian concluded his statement to the press with a promise to publish the final statement of income and expenditures for the papal visit.

5157

CSO: 3548/90

## CHANGING SPANISH SOCIETY SEEN HAVING NO ROOM FOR COMMUNISTS

Madrid YA in Spanish 13 Jan 83 p 7

[Article by Emilio Romero]

[Text] I would like to draw the curtain on the history of the Spanish Communist Party during the first third of this century, including the Civil War, in order to deal with it in its more modern phase. In 1952, the "guerrilla operation" which lasted 6 years had failed, and the strategy had to be changed. The communists contemplated reconciliation with all factions other than Francoism, and the outcome could only be a democratic solution. Communism would no longer be a politically and socially aggressive revolutionary force, but rather another faction in the democratic complex, as an alternative with the liquidation of the old regime in view. It would be a peaceful force, and the center of the conspiracies and agreements would be situated in Paris, involving personalities who would never be presumed to be in league with the communists, because although they were critics or challengers of the Franco regime, they nonetheless belonged to the upper Spanish bourgeoisie. No mention of names will be made because they are known to all. The attraction exerted by the communists in some intellectual or artistic sectors was great, first of all because they represented the most active and dedicated force against the Franco regime, in clandestinity and in action, and secondly, because socialism was a vacillating and scattered force.

Thus the arrival of Santiago Carrillo in Madrid in that famous disguise constituted a real performance. What happened was that communism had the reputation and outer appearance, as well as the bad record, resulting from its autocracy and tendency toward a closed, doctrinary and authoritarian dictatorship, while the era was one of openness and restoration of freedoms. The communist countries of the East did not set a good example, and communism has always been appended--like a satellite--to the Soviet Union, independent of the post-Stalinist invention of Eurocommunism. However, in the first general elections in 1977, the communists won 2 million votes and elected 20 deputies--in round figures, the highest level of electoral success for the communists in the two democratic experiments in this century. The sectors in which the communists were favored were the socially most depressed, or those with the most aggressive social history up to that point in the century. But one very clear development had already occurred. This would be the democratic limit for

the communists. There was no hope of yet another deputy, while on the contrary, there was a risk of losing some. A powerful Spanish socialism developed, which would initially play the role of protagonist in the opposition. The main reason was that Spain had changed greatly, based on the successful industrial, economic and social policy of the last years. A middle-class explosion had occurred, when in the days of the founding and development of the communist party, there had been a tremendous neglected class, a dominant and extensive upper class, and a modest middle class, limited to government employees. Simultaneous with all of this, the increase in the university population led to important social and cultural activism with a view to ensuring freedoms. Thus it was that a prosperous middle class and the love of freedom served as factors opposed to the demand for or political establishment of communism. Only the large quota of utopians, or the always substantial reserves of those in this country desiring revenge, provided the communists with university supporters, philosophers, poets and artists. From the electoral point of view, it was very clear that the Spanish communists would never provide a government option. And here the serious dilemma of the Spanish communists begins. There is now no political party which does not have as its main hope, for the balance of the 20th century, either winning power or making a serious contribution to the regime. Socialism at this point was a clear government option, and today it is in power. Communism will never be certain of winning power in our country, unless we plunge into a Third World effort. In the days of the cowardice and inferiority complexes of Adolfo Suarez, it offered an opportunity for influence. But no longer. Then came the elections in Andalusia and the general elections of 1982. The communist drama was finished. Faced with the threat of another right-wing triumph, a large part of the communist vote went to the socialist sector, simply to gain an assurance of a leftist, even if not radical, government. Once again the left wing discovered the useful vote, exactly as happened in 1936, but working exclusively in favor of socialism, this time. Simultaneous with this communist crisis where the vote was concerned, internal subversion developed within the party between the liberal communists and the autocratic communists, between tradition and the modern, between the self-critics and the adamant faction, between the censors and the obedient faction. It all ended with the resignation of the historic figure, Santiago Carrillo, who was replaced by a communist who came from the working class and a region as classically communist as Asturias. It seems clear that Spanish communism has been reduced to a testimonial role. It is clear that it does not constitute a government choice, even for a coalition government. But it also seems under obligation to defend its modest destiny as a testimonial party. And how can it do this? This is the unknown factor in its present strategy. For the time being, it will attempt to represent the classic doctrine of the social left as a watchdog or an accuser of the socialists, who are also of worker origin, as is clear, thus far, from their name. They will be, or could be, more effective critics than the right-wingers, because they will address themselves to the broad clientele of the Spanish left wing. They also have, as their principal tool, the "Workers Committee" union network, while the UGT [General Union of Workers] will depend to some extent on the general policy of the party in power. A more open approach to the world of young and idealistic intellectuals, and those frustrated by deception or failure, will provide a clientele capable of mobilizing

this currently dormant factor known as "the street." (Currently there is a lower incidence of street demonstrations than at any time in the history of the transition.) For all of these reasons, the communists are not in a period of hope of winning power, and all of the political motivations involved in this process must go. Those who think that communism is an ideological lure, an intimate passion of conscience, a utopia worthy of active service, and even a necessary stimulus to slow the conservatism of the socialists in power, will be in a position to nurture this organization, which does not have major popular support and does not even offer a possibility of a basic change of one society for another. Communism no longer has any supporters but the utopians, the dreamers, the revanchists of history, those who contemplate futilely, poets with impossible illusions, civil servants who have become resigned and politicians who have become monuments. Communism is no longer useful for anything in our country other than irritating all those who come from the same historical place.

5157

CSO: 3548/90

## LEON TO DISENGAGE FROM CASTILLA ENTITY

Madrid EL ALCAZAR in Spanish 14 Jan 83 p 11

[Text] Yesterday, the Plenum of the Leon Provincial Chamber of Deputies resolved to initiate the process for separating this province from the pre-autonomous entity of Castilla-Leon, and to establish it as a single provincial autonomous entity.

The decision was made at a Special Plenum held late in the morning, by a vote of 22 (21 from UCD [Democratic Center Union] and one from AP [Popular Alliance]) in favor and four (three from PSOE [Spanish Socialist Workers Party] and one from PCE [Spanish Communist Party]) against. Based upon the vote, the resolution adopted on 16 April 1980, representing the initiation of the Leon autonomous process in combination with Castilla, became null and void.

The motion was submitted to the Plenum by the chairman of the Provincial Chamber of Deputies, Julio Cesar Rodrigo de Santiago. The body also approved another motion submitted by Jose Maria Suarez, AP representative in the Chamber of Deputies and deputy to Congress, whereby it was resolved to begin the process for the establishment of the single provincial autonomous entity of Leon. This proposal received 20 votes in favor, because two UCD deputies abstained.

In addition, the Chamber of Deputies will sponsor the holding of Municipal Plenums in the province's town councils, so that they may ratify or reject the resolutions adopted by the provincial agency in 1980.

In 1979, the chairman of the Chamber of Deputies sponsored a poll among the province's town councils and municipalities, which resulted in an absolute majority in favor of the option for Leon's single provincial autonomy. Now, he has changed his previous position favoring the integration which he assumed then, based upon "party discipline and reasons of state," as he explained yesterday during the course of the Plenum.

He added: "For Leon and for the people of Leon, the pre-autonomous entity of Castilla-Leon has been shown to be categorically ineffective."

According to the chairman of the Chamber of Deputies, the idea of Castilla-Leon has failed in Leon, because "we lack the forceful status that is active among other peoples; or, in any case, this forcefulness has been unable to succeed associated with the Castilian identity."



Celso Lopez Galeva, mayor of the locality of Ponferrada and spokesman for the Socialist group in the Chamber of Deputies, expressed opposition to the separation of Leon, and was of the opinion that the convocation of this Plenum was illegal, and that the resolutions adopted at it were null as a matter of law.

He argued that, in the autonomous process of the province of Leon, the terms of Article 143 of the Constitution had been followed, with both the Chamber of Deputies and more than two thirds of the municipalities expressing approval of the union with Castilla, at the appropriate time. He added that these decisions are now irrevocable, because they have definitely ended the case legally.

Jose Maria Suarez, AP representative in the Chamber of Deputies, responded to Lopez Galeva, noting that the resolutions of 51 town councils are not firm, because they have been appealed in the fourth division of the Supreme Court.

Shortly before the initiation of the Chamber of Deputies Plenum, most of the PSOE members of Parliament and Martin Villa held a meeting at the San Marcos inn. After the meeting, they released a communique in which all of them confirmed their approval of the autonomy of Castilla-Leon.

Also, in the provincial Plenum, the Leon autonomous group submitted to the chairman of the Chamber of Deputies 9,500 signatures, requesting Leon's separation from the Castilla-Leon autonomous entity.

#### Mass-Scale Rejection of the AP-UCD Coalition in Provinces

The rejection by Popular Alliance of a coalition with Democratic Center Union for the forthcoming municipal and autonomous elections is beginning to reach mass proportions. According to a report from EUROPA PRESS, over 30 provinces have already come out against an AP-UCD electoral pact, in Fraga Iribarne's party.

There was even a province in which the AP provincial committee had already made a previous pact with UCD, but later withdrew; and the negotiations were halted by Popular Alliance, whose leaders have not forgotten UCD's persistent attacking stance toward Fraga's party during the last general elections.

Nevertheless, the center-right coalition will be maintained in the Basque Country, just as has already occurred in the recent elections of 28-0. As may be recalled, this coalition consists of AP-UCD-PDP [Progressive Democratic Party]-PDL [Liberal Democratic Party].

In this connection, a reminder should be given that, on 10 January, the AP national executive body decided to leave the provinces at liberty to decide, individually, whether or not to form electoral coalitions with UCD. This position was the same one reached in the negotiations held by Jorge Verstryngue and Robles Piquer, representing AP, with the UCD secretary general, Juan Antonio Garcia Diaz-Ambrona.

The AP-PDP joint commission, for its part, has already held the first meeting in preparation for the coming elections. During it, several resolutions involving internal work were adopted, prominent among which is the one to advise the respective provincial boards, in the event that they deem it fitting, to form an electoral coordinating commission and to begin planning the candidacies.



As EFE was told by Carlos Robles Piquer, associate member of the AP chairmanship, the meetings of this joint commission will be frequent from now on.

#### UCD Executive Committee Meeting Postponed

On the other hand, the meeting scheduled to be held yesterday afternoon by the UCD executive committee had to be postponed because of the serious flu attack suffered by the head of the Centrist party, Landelino Lavilla. It is the second consecutive time that the Centrist executive committee meeting has been put off for this reason.

The meeting has been called for next Monday, 17 January, in the afternoon; because the favorable progress in Mr Lavilla's condition warrants the assumption that he will have recovered by that date.

2909

CSO: 3584/112

## TRANSFERS, SOCIOECONOMICS FOCUS OF MADRID-AUTONOMOUS AREA TALKS

Madrid EL PAIS in Spanish 19 Jan 83 p 15

[Article by Javier Angulo]

[Text] Madrid--The search for solutions to specific socioeconomic problems comprised the core of the meetings held yesterday morning by Felipe Gonzalez with the heads of the governing bodies of the Asturias, Murcia and Valencian Country Autonomous Communities--respectively, socialists Rafael Fernandez, Andres Hernandez and Joan Lerma--who indicated they are in agreement with the general lines of the new Administration's transfer policy. The three concurred in requesting the renegotiation of the budgetary allocations approved by the previous government.

In open contrast with the trappings that have surrounded other heads of autonomous communities, Rafael Fernandez arrived at the Moncloa in a taxi. Since these public service vehicles are not permitted to enter the palace enclosure, the Asturian Government's prime minister walked the nearly 400 meters that separated him from the main entrance to the palace, where the chiefs of protocol somewhat perplexedly awaited him.

Rafael Fernandez told reporters, at the conclusion of his meeting with Felipe Gonzalez, that he had expressed to the latter his agreement with the desire of the Ministry for Territorial Administration to postpone to 1 July the cession of a sizable package of transfers which, according to the agreement reached with the previous UCD [Democratic Center Union] government, was to have been taken place on 1 January. He expressed pride in the autonomous policy being followed by the Autonomous Community of Asturias. "We have not taken everything they wanted to give us, but rather everything that had a sectorial value: The transfers that were well endowed from the standpoint of both funds and personnel."

Rafael Fernandez requested of the prime minister of the central government the cooperation of his Cabinet in the urgent task of "vertebrating" the economy of Asturias to make it independent of its coal reserves (estimated at a 50-year supply) and render it able to resolve problems like those being faced in the Gijon metal sector, and of improving the economic viability of the ENSIDESA's [National Iron and Steel Enterprise, Inc] new steel plant.

The head of the Murcia Autonomous Community, Andres Hernandez, reopened issues with Felipe Gonzalez that have been pending since the previous UCD government's term in office: The study of the problems that the zone's fruit and produce exporters have raised with the EEC and the Eastern markets, the building of the Alicante-Murcia highway, and the deviation of the Segura river. He expressed satisfaction with the level of transfers received. "Our concern is not so much the number of transfers made or yet to be made, since the present schedule is perfectly acceptable; our concern is rather that what has been transferred be properly valued from the standpoint of budgetary allocations and personnel." In this regard, he appealed to Felipe Gonzalez for agreement from his government to renegotiate the transfers received from the previous government, which evidence deficiencies in their valuation.

The head of the Valencia Autonomous Community, Joan Lerma, made the identical case to Felipe Gonzalez, also expressing his agreement with the government's transfer policy, which calls for the cession of these transfers to take place in stages on 1 January and 1 July. Nevertheless, he reminded the prime minister of the central government that his Community needs to assume jurisdictional responsibilities "in order to begin functioning and being a true Valencian government." Lerma obtained a promise that by 1984 the Valencia Community will have received most of the substantive transfers it needs to render its autonomous government viable and effective.

Joan Lerma appealed to Felipe Gonzalez for a speed-up in the entire process of ceding to the Valencia region the aid being provided to relieve the effects of the October flood, and especially that being provided in the form of capital grants, which, in his opinion, are undergoing delays.

9399

CSO: 3548/100

## AUTONOMY STATUTES DEBATED BY CONSTITUTIONAL COMMITTEE

Madrid EL PAIS in Spanish 18 Jan 83 p 14

[Text] This afternoon, the Congress of Deputies Constitutional Committee will debate the draft autonomy statutes for Baleares, Extremadura and Madrid. These statutes and that of Castilla-Leon, on which a decision is expected this week, will be the central issues of the next plenary session, which has been convoked for Tuesday 25 January. The period of ordinary sessions, which commences in February, will be marked by debate on the Local Election Law Reform bill, among others.

From a Parliament standpoint, January is a vacation month. The Constitution provides, however, that special sessions may be held during that month "on a specific order of business." This was the case of the plenary held on the 11th of this month, in which an amendment to the whole of the Baleares Statute was defeated, and of the forthcoming plenary to be held the 25th, which has been called to deal with the four pending autonomy statutes and the election or confirmation of the four magistrates of the Constitutional Tribunal whose terms are up for renewal. There is no agreement on this item as yet and it could be postponed. The plenary will also pass on the confirmation or derogation of four decree laws issued by the government.

The AP [Popular Alliance] amendment to the Baleares Statute having been rejected, the four pending autonomy statutes will, on principle, be approved in accordance with the socialist position favoring proportional representation--of the provinces or islands comprised in the autonomous community--instead of equal representation, as is being advocated by the Popular Parliamentary Group.

The partial amendments being sponsored by this group, to the Baleares Statute as well as to those of Extremadura and Castilla-Leon, will be defeated in committee and in the plenary, since the PSOE [Spanish Socialist Workers Party] will bring its parliamentary majority to bear on this point. This afternoon, the Constitutional Committee will begin its study of the reports drawn up by the appointed rapporteurs toward the end of last year.

Of the items on the parliamentary agenda for the period of ordinary sessions that begins in February, the most important, given its political significance and the proximity of the municipal elections, will be the debate on the organic Local Election Law Reform bill. The period for submittal of amendments ends on 20 January.

#### RTVE Board of Directors

The Popular Parliamentary Group will submit an amendment on the whole of the bill and, according to EUROPA PRESS, will appoint Oscar Alzaga, leader of the PDP [Popular Democratic Party], its spokesman for this debate, following a period of parliamentary ostracism of the PDP's top leader, devoted to the strengthening and bringing together of his party.

One of the outstanding items on the agenda is the election of the 12 members of the RTVE [Directorate General of Radio Broadcasting and Television], whom it is the province of Parliament to designate "from among persons of outstanding professional merits," by a two-thirds majority of each Chamber. In principle, Fraga's group is seeking to divide the 12 board seats with the socialists on an 8-and-4 basis; the PSOE prefers to include a member from the UCD [Democratic Center Union], to be taken from the Popular Group's 4; and the AP-PDP group feels that, in such a case, the UCD seat should come from the PSOE's total, reducing it to 7 seats.

The forthcoming legislative agenda also includes the reform of the Civil Code with respect to legal protection, the incorporation of Segovia into the Autonomous Community of Castilla-Leon, and the draft legislative package drawn up by the Ministry of Justice, consisting of bills on the partial reform of the Criminal Code and of the Law on Criminal Procedure, and on the right of assembly, all of which are still pending submittal to the Cortes by the government.

Further legislative texts, already drawn up but on which the Gonzalez Cabinet has not yet said its final word, deal with conflicts of interest on the part of members of Parliament; these will be followed by a similar one with regard to upper-echelon positions, that will define conflicts of interest for directors general, technical secretaries general, undersecretaries, ministers, ambassadors and presidents of public enterprises, among others. It will also affect members of high-level institutions such as the Constitutional Tribunal, the General Council of the Judiciary, the Accounts Tribunal, and the Attorney General.

9399

CSO: 3548/100

## PUJOL FIRM AGAINST ROCA CENTRALIZING EFFORT

Madrid EL PAIS in Spanish 19 Jan 83 p 13

[Article by J. L. M. I.]

[Text] Barcelona--Catalonia's attitude toward the central government's policy is not one of disinterest, but it does not on the other hand want to be the centerpiece of a governing Center force. The prime minister of the Catalan Autonomous Government and secretary general of the CDC [Democratic Convergence of Catalonia], Jordi Pujol, made this position clear this weekend to all officials and leaders of the party, using as a sounding board the meeting of the National Council of the CDC, the [Catalan Government's] top inner governing body, in a political maneuver that different Convergence circles have indicated to EL PAIS is "a brake" being applied to the "Operation Center" or "Operation Cambo" that is being promoted in Madrid by the spokesman of the Catalan Minority and number two man of the party, Miquel Roca.

The political initiative that Roca has been advocating since the recent legislative elections does not have the support of the leader of the CDC. The Catalan Minority's spokesman has been propounding the reconstitution of the political Center that was wiped out by the socialists and the AP [Popular Alliance] in the polls, basing such a reconstitution on the Catalan and Basque centrist forces, which stood up very well under the electoral onslaught of the AP and the socialists. Publicly, Roca has referred to the need to constitute a federation of parties of the political Center and find a leader for this sector. His specific references to the CDC as "the party of the Center" have not been well received in circles close to Pujol; the same is true of the consideration being given in certain Madrid circles to his potentialities as a prime minister of the central government, should he succeed in revitalizing the Centrist ideology, encompassing the CDC within it.

All reports reaching this newspaper concur in indicating that Pujol was seeking to put a stop to these political initiatives by Roca, considering them in the light of a political platform Roca was trying to build in Madrid, which would complicate relations between Catalonia and central government instead of easing them and at the same time put into question the nationalist character of the CDC.

In addressing the actions of his "second" in the party hierarchy, Pujol has been relying on the tactic, which was bolstered by the events of this weekend, of affirming that Convergence must continue advocating the governability of the nation, whether the central government is of the Right or the Left, and without entering into any lifetime commitment to any party of the Center. This is the same line being followed by the PNV [Basque Nationalist Party], which, countering Roca's affirmations that it supports "Operation Center," states it is willing to come to an understanding with a Madrid-based Center force if and when one comes into being, but that it is not willing to abandon its positions as an autonomist force.

The top leader of the CDC had never taken a frontal approach in correcting positions taken by his colleagues and particularly Roca, a leader with substantial influence within the party. The opportunity he had been seeking finally came this weekend, when the National Council was interpellated by one of its members as to why an internal circular referred to the CDC as "a Centrist party" and "Catalanist force," in that order, instead of a nationalist group.

Relying on support from his most loyal colleagues, like the secretary to the Prime Ministry, Lluís Prenafeta, Pujol enlarged the scope of the question, giving rise to a certain expectancy throughout the communications media covering the meeting of this Convergence governing body, where it seemed that it would be stated that certain actions were endangering the CDC's nationalist credibility. Although this interpellation was the last item on the agenda of the meeting, Pujol had, from the very outset of his remarks during the meeting, talked in terms of words such as "We are the great nationalist party of Catalonia," making it unmistakably clear that the CDC was in no way committed to Roca's strategy.

9399

CSO: 3548/100



## BILL TO CHECK PUBLIC-PRIVATE CONFLICT OF INTEREST

Madrid EL PAIS in Spanish 21 Jan 83 pp 1, 11

[Text] According to the bill on conflict of interest in high office, soon to be sent by the government to the Cortes, those holding high-ranking posts in public administration will not be able to hold other responsible positions in private firms. The same bill indicates that those in such high offices will be able to represent the public administration on the boards of business firms with public capital, but never on more than two.

The bill, which specifies those who will be considered public office-holders, also stipulates that the corporation charters, and the changes and appointments in company positions, may not be recorded in the official Registry of Commercial Concerns if there is not stipulated therein an express ban against persons declared as being in conflict of interest holding positions in them.

For the purposes intended in the bill, those holding high offices in administration are considered to be, among others, the members of the Constitutional Court, the General Council of the Judicial Branch, the Office of the Controller of Currency, the State Council and the Nuclear Security Council, ministers, state secretaries, undersecretaries, general directors, the people's defender, rectors of universities, ambassadors and delegates of the government in the autonomous communities.

The bill states that the holding of a high-ranking post is in conflict of interest with any other in the same category, adding that the conflict of interest applies to the practice of the profession in which the person named to a high-ranking administrative position might be engaged by reason of his degrees or skills.

Moreover, the Ministry of the Presidency also has well under way the bill on conflict of interest in positions involving the people's representation.

In this connection, the president of the Senate, Jose Federico de Carvajal, declared yesterday at a luncheon held with reporters that, "a genuine parliamentary crisis has occurred over the issue of conflict of interest." He added: "The problem is serious, and will be difficult to solve: I, personally, don't know what the solution will be." He later noted that members of Parliament must engage "body and soul" in legislative activity, "but this also entails dissociating oneself from each individual's profession." Therefore, he remarked, deputies and senators run the risk of becoming executives.

Madrid--Those holding high offices in public administration may not have other positions of responsibility in private business firms, but they may represent the administration itself on the boards of firms with public capital. In this latter instance, those in high offices may only receive per diem, compensation or assistance, and they may never belong to more than two boards. This has been stipulated in the organic bill on conflict of interest in high offices, the contents of which was released yesterday by the EUROPA PRESS agency, and which will be followed by another one relating to members of Parliament.

Yesterday, the president of the Senate, Jose Federico de Carvajal, stated that the issue of conflict of interest "has caused a genuine parliamentary crisis."

The bill, which will soon be sent by the government to the Cortes, considers the following to be holders of high-ranking posts in administration:

The members of the Constitutional Court, General Council of the Judicial Branch, Office of the Controller of Currency, State Council and Nuclear Security Council.

The ministers, state secretaries, undersecretaries, general directors and similar office-holders, and directors and consultants of RTVE [Spanish Radio-Television].

The people's defender.

The rectors of universities and ambassadors.

The government's delegates in the autonomous communities, and the civil governors.

The members of the Presidency's cabinets, the ministries and the state secretariats.

The service delegates and similar office-holders in the local corporations.

The presidents, directors and similar office-holders in business firms with state participation exceeding 50 percent.

The government's delegates in the hydrographic confederations, toll freeway companies and similar entities.

The presidents, directors and similar office-holders in the government banks and in autonomous state entities.

The members of the Court of Jurisdictional Defense.

The presidents, directors, general delegates and similar office-holders in the social security management entities.

The bill, devised by the Ministry of the Presidency, which consists of 14 articles, two additional provisions and one annulment, states, moreover, that the holding of a high office is in conflict of interest with any other that is in the same category; adding that the conflict of interest applies to the practice of the profession in which the person named to a high-ranking administrative position might be engaged by reason of his degrees or skills.

## Exceptions

Nevertheless, the law cites some exceptions to the general regulations on conflict of interest. For example, it specifies that the ministers and state secretaries may make their public offices compatible with the seats that they may hold in the General Cortes. Also exempted from conflict of interest is the holding of posts in international agencies representing the Spanish State, its government or the Cortes.

Furthermore, the activities stemming from the administration of personal or family assets are not in conflict of interest with high offices in public administration, except for those associated with dealing in building lots, housing and premises. On the other hand, one would be liable to being assumed in conflict of interest if the party concerned, his spouse and his minor children held a share exceeding 10 percent of the stock of companies which have agreements for works projects, services or supplies with the public entity in which he holds the position.

The government's bill also calls for the fulfillment of various precautionary measures. These include the stipulation that the corporation charters, and the changes and appointments in company positions, may not be recorded in the official Registry of Commercial Concerns if there is not contained therein an express ban against persons declared as being in conflict of interest holding positions in them, or exercising them, as the case may be.

It is also stressed that the business firms which take part in the competitive bidding or auction for any public service must prove, through the appropriate certification, that no high office-holder is a member of the organs of government or administration; and that the proposals which do not include this certification are to be discarded.

Finally, the bill of the Ministry of the Presidency specifies that high office-holders are to make a statement regarding a cause of possible conflict of interest, in accordance with the format to be approved by the pertinent constitutional organ, the Ministry of the Presidency or the plenum of the local corporations. This statement must be made within 3 months after the date of assumption of the public office.

According to well-informed sources in the administration, it is quite likely that this bill will be sent to the Cortes early in February. However, it will not be the only new legal regulation sponsored by the present government in connection with the matter of conflict of interest.

## Bill for Members of Parliament

According to the same sources, the Ministry of the Presidency also has well under way the bill on conflict of interest in positions associated with the people's representation, in other words, the deputies and senators.

In this connection, it should be noted that the Socialist members of Parliament have already applied to their own personal circumstances some of the regulations which, according to the predictions, will be contained in the pertinent legislative bill, with regard to both the holding of, and remuneration for two public

offices, and the conflict of interest involved in engaging in private activities. By the middle of this month, over 50 PSOE deputies had given up the practice of their professions.

Apart from all this, at the end of March there will end the period set by the order of the Ministry of the Presidency of 30 December for those working in the service of the administration to report on their status, from the standpoint of the number of salaries that they earn, both inside and outside of the administration itself. Once this documentation has been received, the Ministry of the Presidency will explore the possibility of reforming, or not reforming the law on conflict of interest passed by the previous legislature at the petition of UCD, which went into effect on 1 January of this year.

The present administration was of the opinion that the law on conflict of interest that is in force does not sufficiently develop the sections relating to public offices and members of Parliament; which is why it undertook to devise these two legislative bills. In the case of the executive officials, and apart from the possible revision of their status through another law, it is considered essential to develop the pertinent standards by means of regulations.

2909

CSO: 3548/112

## FIRST POST-ELECTION POLL SHOWS GAINS FOR SDP, COMMUNISTS

Stockholm DAGENS NYHETER in Swedish 19 Dec 82 p 6

[Article by Dick Ljungberg]

[Text] The Liberal Party is hovering at the 4-percent mark--the minimum needed for representation in Parliament--according to the first poll of voter opinion by the IMU [Institute for Market Research] and DAGENS NYHETER since the election. The Center Party and the VPK [Left Party-Communists] are also below their election results, while the Conservatives have gained.

During the period from 8 November to 1 December, 942 persons were visited in their homes, where they used "ballots" to indicate which party they considered "best." The Palme government took office on 8 October with a "crash" devaluation. During the period of the poll, the government announced the economic measures that would be implemented in connection with the devaluation of the krona.

The big quarrel in the Liberal Party over the party leadership did not begin until the end of the period. The fight between the Social Democrats and the VPK over the value-added tax was still in its infancy.

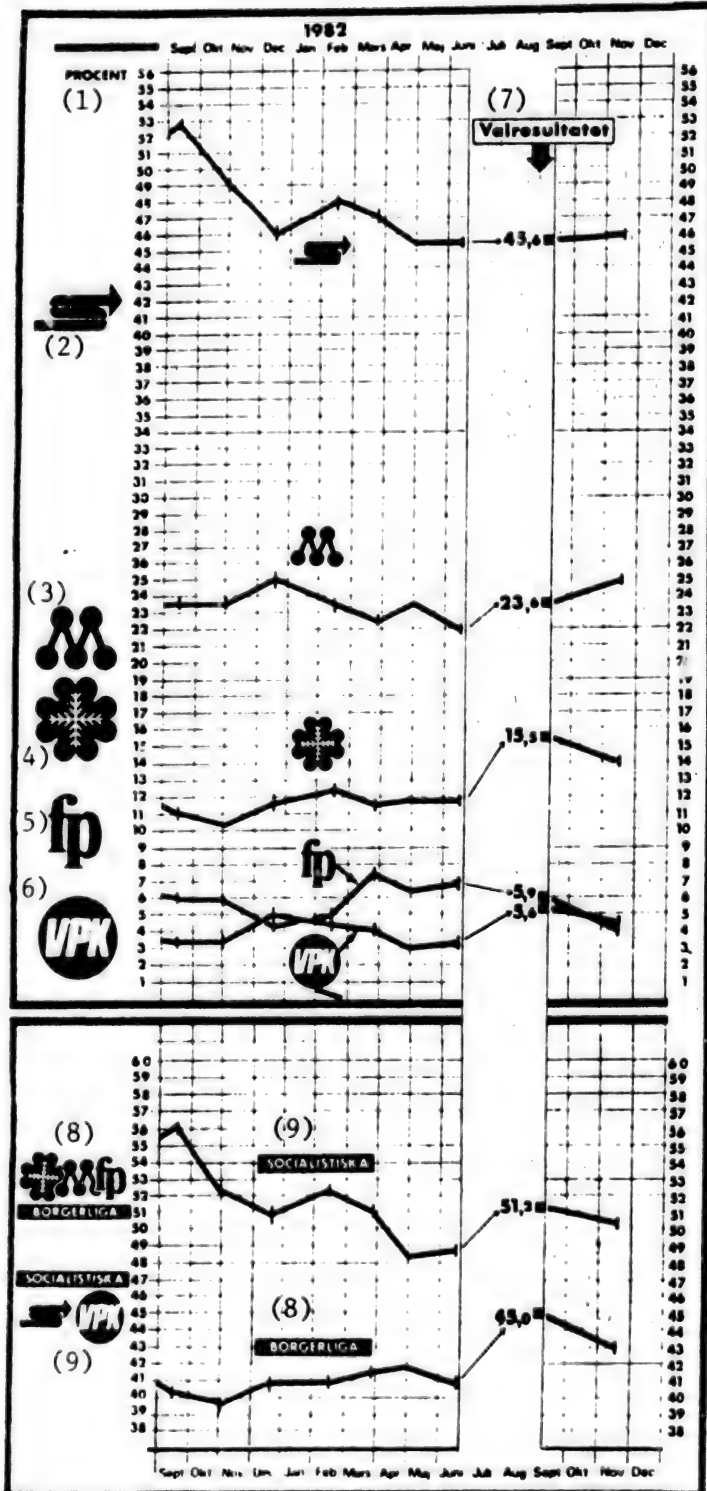
Here are the results of the IMU poll. The figures in parentheses indicate the change since the previous poll (in June):

Conservatives: 25.0 (+3.0); Liberal Party: 4.0 (-3.0); Center Party: 14.0 (+2.0); Christian Democratic Party: 2.5 (+0.5); Social Democrats: 46.0 (+0.5); VPK: 4.5 (+1.0); Environment Party: 3.5 (-2.5); and all other parties: 0.5 (-1.5). The nonsocialists in Parliament therefore have 43.0 percent, and the socialists have 50.5 percent.

The only statistically accurate changes are those concerning the decline for the Liberal Party and the Environment Party.

#### Reservation

The results for the Environment Party should be viewed with great reservation, however. It appears that many of the interviewees who voted in the election for some small party other than the Environment Party or the KDS [Christian



Key:

1. Percent
2. Social Democrats
3. Conservative Party
4. Center Party
5. Liberal Party
6. Left Party-Communists
7. Election results
8. Nonsocialist bloc
9. Socialist bloc

### Comparison of Three Latest IMU Voter Opinion Polls

Poll results	Period of survey		
	No 18 19 April- 12 May 1982	No 19 17 May- 14 June 1982	No 20 8 November- 1 December 1982
Number of interviews with eligible voters having a party preference (basis for 5 percent)	900	912	910
Percentage stating the "best party" to be:			
Conservative Party	23.5	22.0	25.0
Liberal Party	6.5	7.0	4.0
Center Party	12.0	12.0	14.0
Christian Democratic Party	1.5	2.0	2.5
Social Democrats	45.5	45.5	46.0
VPK	3.0	3.5	4.5
Environment Party	7.0	6.0	3.5
Other parties	1.0	2.0	0.5
	100.0	100.0	100.0
Percentage of eligible voters unable or unwilling to indicate "best party"	3.5	4.0	4.0

Since 1979, the IMU has conducted 20 polls to determine party preferences. The decline of 3.0 percent for the Liberal Party and of 2.5 percent for the Environment Party is statistically accurate. Other changes between the latest and the next latest polls lie within the margin of error.

The polls were conducted within nationally representative controlled samples of Swedish citizens between 18 and 74 years of age. The interviews were conducted during house visits. The following question was asked: "Which party do you think is best?" An election situation was simulated, with party preferences being expressed in the form of "ballots" and "ballot envelopes."

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Democratic Party] are now choosing the Environment Party as the "best party." In the poll conducted in June, the Environment Party had 6.0 percent, but in the election it received only 1.7 percent.

The Conservatives received 23.6 percent of the vote in the election, while the Liberal Party received 5.9 percent, the Center Party 15.5 percent, the Social Democrats 45.6 percent, and the VPK 5.6 percent. The Liberal Party, the Center Party, and the VPK are therefore now below their election figures, while the Conservatives have gained. In the case of the VPK and also, in part, the Liberal Party, the change is probably due partly to the effects of the 4-percent rule in parliamentary elections. As far as the VPK is concerned, "comrade 4 percent" therefore went into action.

#### Ballots

In the moving average calculated by the IMU for the 5 months up to and including the June poll, the VPK remained consistently at around 4 percent. The Liberal Party was situated just under 6 percent, the Center Party just under 12 percent, and the Conservatives at around 23.5 percent, while the Social Democrats were between 46 and 47 percent at the end.

In this first IMU poll since the election, those visited in their homes were asked to choose between eight "ballots"--one each for the five parties in Parliament, the KDS, the Environment Party, and one other party.

The separate "ballots" for the Swedish Communist Party (SKP) and the Workers' Communist Party (AKP), which were used previously, have been discontinued.

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## PAPER ANALYZES FIRST POST-ELECTION POLL

Stockholm DAGENS NYHETER in Swedish 19 Dec 82 p 2

[Editorial by O.A.: "Party Swings"]

[Text] The fact that the Liberal Party is quivering right at the 4-percent limit and that the little Environment Party is still preferred by 3.5 percent of the voters despite its election setback is the most striking feature of the new IMU [Institute for Market Research] poll being presented by DAGENS NYHETER today.

But beyond the usual reservations concerning statistical reliability and the fact that on the average, the basic data are a month old (the interviews were conducted from 8 November to 1 December), it should be pointed out this time that the figure for the Liberal Party--which of course is hovering on the brink of being eliminated from Parliament--is related to the exceptionally confused situation that existed after the big election defeat but before the dramatic fight that took place in the open over the party leadership and Ola Ullsten personally.

When the interviews were completed, the so-called commission of inquiry had not yet issued its harsh report, nor had a number of sectors in the party demanded Ullsten's resignation, nor had Ullsten finally ridden out the storm for the moment and again been nominated by the election committee. The direction in which voter preferences have been pushed this December by the net effect of such unusual events in Swedish party life is not known, of course. Perhaps there will be a clearer picture of the reaction after the special national congress in January.

When compared with the institute's last poll, which was conducted in June (disregarding a partial election forecast in September which held its own in comparison with those of the other polling institutes), the IMU's figures do not say much, of course. More interesting is the fact that the IMU's figures agree in general with what SIFO [Swedish Institute for Public Opinion Polls] reported 3 weeks ago, except that the Conservatives were given a couple of extra points by SIFO. The figures for the Conservatives were also overstated in SIFO's election forecast, while those for the Liberal Party were understated (it may be that the very publication of the forecast helped to disturb the results, so that like the VPK, the Liberal Party was helped by "comrade 4 percent."

In the election of 19 September, the veteran KDS [Christian Democratic Party] got only 1.9 percent of the vote, and the Environment Party--a newcomer--got even less, even though a number of earlier polls had placed the latter at or slightly above the 4 percent that constitutes a ticket for entering Parliament. But in the current IMU poll, the KDS is up to 2.5 percent and the Environment Party stands at 3.5 percent in voter preferences, despite the fact that neither is represented politically at the national level and even though their local political efforts and the part they sometimes play in tipping the political scales are not covered in the mass media--all the more since the newcomer, at least, has no party newspapers.

It is conceivable, of course, that the shakeup in comparison with the election is due in part to the fact that those two small parties--and no others--have their own "ballots" in IMU interviews. But the other parties farthest to the Left or the Right count their supporters as so many per thousand in terms of the total electorate, and surely their supporters are not so confused that they cannot even tell the difference between party names, are they?

No, the reasonable explanation is that the KDS and the Environment Party have approximately the level of support that is shown here, but that they are consistently robbed of votes just before election day by the talk by all the other parties about wasted votes. That circumstance--like the fact that parties which do not clear the 4-percent hurdle receive no party subsidy and no loans for the expensive printing of ballots, receive no reasonable amount of coverage in the broadcast media, and so on, and consequently do not have a fair chance of clearing that 4-percent hurdle--is one of the things that cannot be neglected in the necessary overhaul of Sweden's failure of a constitution. Not if there is any decency left.

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## PAPER SAYS CRITICISM OF UN ACTIONS PARTLY JUSTIFIED

Stockholm SVENSKA DAGBLADET in Swedish 12 Dec 82 p 2

[Editorial: "Criticism of Sweden"]

[Text] Sweden has been pilloried in the United Nations on charges of hypocrisy, double standards, and racism. To say nothing of other things.

Some of the pungent criticism is understandable, considering the Swedish Government's inclination to jump with both feet into conflicts in far-away countries when it is difficult even for cool observers to distinguish the shades between black and white.

Some of the other accusations leveled at the Swedes in the United Nations are so ludicrous, emotional, and biased that they are more embarrassing to the critics than to the criticized.

The Americans have found it hard to forget the international role played by Sweden during the Vietnam War, and they are scrutinizing Sweden's international actions with a more critical eye now that Olof Palme is back in power.

And they found a hook to hang their irritation on after Lennart Bodstrom's appearance at the United Nations. The minister of foreign affairs had expressed, among other things, the view that the United States was supporting shaky dictatorships in Central America. His own protest that this should not be taken as criticism of the United States obviously made no impression in Washington.

The fact that the American criticism was expressed by Jeane Kirkpatrick, the UN ambassador who has established a reputation as one of the Reagan administration's most reactionary representatives, is really no consolation.

The irritation is real, but if the Americans are going to become irritated with us now, it should be for something other than the fact that the Swedish ambassador to the United Nations is instructed to read a speech permeated with revolutionary romanticism.

Some of the criticism expressed by Latin American countries shows that people there find the problems in Central America somewhat more complicated than Stockholm interprets them as being. And that, too, should be noted--even if the first reaction may be that some of our critics are deplorably biased.

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PAPER SAYS PALME RECORD ONE OF WEAKNESS TOWARD VPK

Stockholm DAGENS NYHETER in Swedish 21 Dec 82 p 2

[Editorial by O.K.: "A New Style of Government"]

[Text] Much depends on how things go in the first few months--the first half year. That is what Kjell-Olof Feldt said in an interview with EXPRESSEN before the election campaign got underway.

A running start is what the Social Democrats wanted to make when they regained control of the government. And a running start is what they made: a 16-percent devaluation, a tremendous increase in the budget deficit (to cover promises and investments), the collapse of the agreement on marginal taxes, and, lastly, the agreement with the VPK [Left Party-Communists] on the value-added tax.

The running start did more than shake up the three nonsocialist parties. It was also a trying experience for many within the party itself. It is true that the leading Social Democrats had said during the campaign that they had only four election promises and that they could not promise a higher living standard and new reforms. But few could have expected tough austerity of the kind that we are going to experience in 1983.

Many of the irresponsible promises made during the years in opposition have already been reexamined. Most striking is the harsh attitude that Minister of Industry Thage G. Peterson has adopted toward new government subsidies for industries that are in a slump. It now appears that the relief fund, which according to the Social Democrats should have been constantly replenished during those 6 years, will be left unused. The exception is the State Holding Company.

Kjell-Olof Feldt, who has been forced to take charge of the economic drudgery, personally opposed both the promises to pensioners and restoration of the compensation level in health insurance. But the Social Democratic policy of promises had already made too stiff a rod for the party's own back.

In the election campaign, Olof Palme could name only one area where the government ought to make cutbacks: that of food subsidies.

They are now being increased very handsomely to appease the VPK. Otherwise, the Social Democrats have said no to a nonsocialist austerity policy. So far,

we have seen only a part of the socialist austerity policy--the part affecting private consumption. But the part affecting the public sector will also have to come.

There has been a little rethinking in that area, too. The goal of a 2-percent expansion in the municipalities and county councils that the party laid down while in the opposition--with sharp criticism at the 1981 party congress that the goal was too low--is now being questioned. The Social Democrats are now accepting to a large extent the 3 billion kronor that the middle-party government intended to take away from the municipalities and county councils in 1983--the municipalities will get only 1 of those billions, and they will not get that until 1984.

What was being called theft and confiscation a year ago by Kurt Ward and Inge Horlen, the Social Democratic chairmen of the Association of County Councils and the Association of Local Authorities respectively, is now being described by those same gentlemen as a step in the right direction. And so it is--but their indignation has vanished.

While a start toward reconsideration of some matters--a reconsideration obstructed by election promises and expectations--is an important feature of the first few months of Social Democratic government, the lack of indignation on the part of the strong organizations is even more obvious. The devaluation in 1981 was a big obstacle to the wage negotiations, said Gunnar Nilsson of the LO [Swedish Federation of Trade Unions]. But the even bigger devaluation of 1982 is being accepted by all the union organizations. It is being said that there can obviously be no compensation for it.

But the union has not lost its teeth. Last fall, the LO succeeded both in shattering cooperation on tax reform and in putting through a tax deduction for union dues.

In his new government, Olof Palme obviously wanted to surround himself with strong men who sleep well at night. The immediate effect was scarcely successful. The government is surrounded by an atmosphere of heavy-footed centralism. And an unprecedented amount of power has been concentrated in the Cabinet Office, while the number of political experts has also been increased beyond what existed in the nonsocialist coalition governments. When they were in the opposition, the Social Democrats criticized that as being "politicization," but now that they are a one-party government, they are strengthening it.

It is very reasonable that a government should have a few politically appointed officials in the ministries. Especially in times of crisis, political coordination is required. But it should be much easier now than it was under coalition governments.

The government of strong men has voluntarily shown its weakness by provoking the VPK to protest. And if it does not show more affability and sensitivity now that the tough years are upon us, it will also be tempting the people to come out in protest.

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## FINAL 1982 POLL SHOWS CONSERVATIVES SOLIDIFYING GAINS

## SDP Growth Tapering Off

Stockholm SVENSKA DAGBLADET in Swedish 27 Dec 82 p 6

[Article by Claes-Goran Kjellander]

[Text] The Conservative Party's position was further strengthened in the final SVENSKA DAGBLADET-SIFO [Swedish Institute for Public Opinion Polls] voter barometer for 1982. The party is back to its record of 28 percent as far as voter sympathies are concerned.

The Social Democrats and the Center Party have recorded slight downward curves since the election, and that trend is continuing. The Liberal Party and the VPK [Left Party-Communists] are holding more or less steady.

Expressed in figures, this means 45.0 percent for the Social Democrats (-0.5 percent), 28.0 percent for the Conservatives (+1.0 percent), 13.0 percent for the Center Party (-0.5 percent), 5.5 percent for both the Liberal Party and the VPK (+0.5 percent), and 3.0 percent for all other parties (-1.0 percent).

Interviews were conducted between 24 November and 14 December, and 1,437 persons took part in the poll. Of that number, 4.5 percent said that no party was the best.

To grasp what has happened among the voters since the election, the comparison should be extended to cover several polls. This shows that two parties in particular are of interest: the Social Democrats and the Conservatives.

## Winner's Points

It usually happens that winning parties ride the wave of success through several polls immediately following an election. As they say in boxing circles, all the world loves a winner. Things have not completely reached that point in politics, but the polls from previous election years support the thesis that winning parties enjoy further successes after an election.

That such has not occurred in the case of the Social Democrats can be explained in several ways, depending on one's spirit and inclination: one can say that the



party won because of its campaign, or that many people were not voting for a social democratic government as much as they were voting against a nonsocialist one, or that the Social Democrats have had problems in maintaining their identity since the shift from being an opposition party to being a government party.

The increase for the Conservative Party is more in line with the old landmarks. But the fact that its standing has risen by 2.5 percent in two polls is remarkable.

If the trend of pluses for the Conservatives and minuses for the Center Party continues, the idea of a connection between the two will immediately present itself. The Center Party's mustering of strength in the election campaign paid dividends--as usual--in the form of more votes than expected. It must be assumed, however, that the party has one ambition for 1985: to begin its election spurt from a somewhat better position than in 1982.

#### Standing Still

What about the Liberal Party? The poll was conducted during the weeks when the party's civil war was raging. On 4 December, it became generally known that a group within the party was trying to overthrow Ullsten. Six days later, it was clear that the attempt had failed.

Neither the party nor the party leadership can draw any conclusions from this latest poll. But an upswing cannot be delayed for many months or there will again be unrest in the Liberal Party's ranks.

#### In the Long Run

The compromise between the SDP [Social Democratic Party] and the VPK became clear after the survey period had ended, and the game of chicken surrounding the value-added tax can therefore have had only a marginal influence on SIFO's figures. Naturally, it would have been more spectacular if a quick poll could have been conducted immediately after a dramatic development of that kind. But the primary purpose of the SVENSKA DAGBLADET-SIFO poll is not to measure quick changes, but to provide information on long-term shifts among the parties.

There is therefore no reason to regret that a new survey period will not start until several weeks after the agreement on the value-added tax. On the contrary, the delay will give a more reliable measurement of the degree to which that agreement had any real effect on the voters' party sympathies.

#### Observer Views Poll

Stockholm SVENSKA DAGBLADET in Swedish 27 Dec 82 p 2

[Commentary by Gunnar Andren]

[Text] In assessing the situation in public opinion as reflected in today's SIFO barometer--which is based on 1,437 confidential interviews conducted in people's homes between 24 November and 14 December--the following two facts should be borne in mind:

1. To a greater extent than any other party, the Liberal Party was in the center of the political debate.
2. The big quarrel in Parliament over the value-added tax--the result of which was that, like the value-added tax, food subsidies literally went up like smoke--had not yet occurred.

Is this the start of a trend?

That question was asked in connection with the SIFO barometer for November (see SVENSKA DAGBLADET, 28 November), and it has lost none of its topicality: the Social Democrats, who consistently garnered between 47.5 and 48 percent in the voter polls throughout the first half of 1982, are finding it hard to hold on to those figures following the election--when 45.6 percent of the voters supported them.

Perhaps it is still too early to start talking about the discontent aroused by frustrated hopes, but the difficulty involved in living up to the high expectations on which Olof Palme based his message during the election campaign--or rather, the impossibility of doing so--may lead more quickly than expected to distrust on the part of important groups of voters.

In addition to the 45-percent figure recorded for the Social Democrats in December (that 45 percent, incidentally, is the lowest for the party in any single month since April 1980), there is already another figure to suggest that from the standpoint of public opinion polls, the Social Democrats have a difficult 1983 to look forward to.

The figure in question concerns the "uncertain" voters--those who do not feel that they can or want to say which is the "best party."

We know from earlier experience that it is not uncommon for the SDP's so-called grassroots to express its displeasure or discontent by answering "I don't know" or something similar.

After a long period in which the number of "uncertain" voters showed a markedly steady decline as a percentage of the total electorate, the December figures show a jump in the number of "uncertain" voters from a low 3.5 percent to 4.5 percent.

That may be a chance occurrence, but probably it is not: the closer an election approaches, the more people decide which party they consider "best." And immediately after an election, for natural psychological reasons, there are few who want to admit that they "voted wrong."

(The tendency toward greater voter support for a winning party that usually occurs has a similar human explanation: it is much easier to say that one rode the winning horse than to admit that one's own favorite came in next to last or even brought up the rear.)

A few months have now passed, and the Palme government has unquestionably governed. Anyone who for some reason feels betrayed or disappointed is probably

prepared to reconsider the party choice he made on 19 September. Reality may have turned out differently than it should have.

The widespread support for the SDP's government policy--to which the Social Democratic press devoted kilometers of space in its columns this past fall--may have turned out to be about as "massive" as member support within the PRO (National Pensioners' Organization) was after the PRO's leadership so successfully concluded its negotiations with the government in October.

During 1982, party preferences changed as follows, according to SIFO's long-term trend:

1982	Conservatives	Center Party	Liberal Party	Social Democrats	VPK
Jan	28.0	10.5	6.7	47.5	4.2
Feb	27.2	10.4	7.3	47.6	4.1
Mar	26.2	10.4	7.4	47.9	4.0
Apr	25.5	10.5	7.6	48.2	4.1
May	25.5	10.8	7.9	47.8	4.0
Jun	25.9	11.0	7.9	47.5	3.9
Aug	25.9	13.0	6.1	46.7	4.4
Sep <sup>1</sup>	25.5	15.4	4.9	46.0	4.5
Election	23.6	15.5	5.9	45.6	5.6
Oct	26.3	13.1	5.7	46.3	4.6
Nov	26.9	13.1	5.6	45.9	4.9
Dec <sup>2</sup>	28.0	13.0	5.5	45.0	5.5

1. Election forecast

2. Monthly figure

The table above indicates clearly that the number of voters deciding late in the campaign to change parties or to vote "tactically" was probably larger in 1982 than had been customary previously.

Let us compare the long-term trend with the election forecast and the election result:

1. If we compare the long-term trends for each of the five parties with the election forecast and the "answer sheet" (the election result), we see that in the case of all the parties, voter opinion moved in the direction indicated by the SIFO barometers.

2. On the other hand, the strength of the changes within the two blocs was greater in the end than SIFO had foreseen.

(It is true that there is reason to be skeptical of statements about "tactical voting," but considering the Liberal Party's and the VPK's exposed position just above the 4-percent barrier in several election forecasts, there is certainly reason to suspect that some voters voted for the "next best" party in this year's election.)

3. While we note that the change between party blocs from August to election day was nil (0.0 percent for the Conservative, Center, and Liberal Parties and 0.1 percent for the SDP and VPK), but a full 0.5 percent in the socialist bloc's favor compared to the election forecast, we can also note that the Center Party's very strong spurt occurred at the expense of the Liberal Party and also (as is obvious from the above breakdown) affected the Conservatives. From August to election day, the Center Party increased by 2.5 percent, the Conservatives declined by 2.3 percent, and the Liberal Party lost 0.2 percent.

On the other hand, the Center Party does not seem to have attracted any Social Democratic sympathizers--and it may have been decisive for the election results that the Social Democrats were able to hang on to possible "marginal voters" after the Kalmar debate.

On the socialist end, the Social Democrats lost 1.1 percent during the same period, while the VPK went up by 1.2 percent during the final month. (The number of VPK voters in 1982 was almost exactly the same--within a few thousand--as in 1979.)

What is happening now? The Social Democrats are already a little more than 2 percent below their figure for the spring of 1982, while the VPK is 1 percent above its earlier figures.

It is not unlikely that this trend will continue. It is true that the Palme government has no lack of problems in addition to the VPK, so Lars Werner will certainly have time to devote himself to his message: "it pays to vote for the VPK." (The fact that the value-added tax is nevertheless going to rise on 1 January 1983 is something that Werner will certainly not mind "forgetting" to talk about.)

The Conservative Party, which was the party scoring the biggest gain in the 1982 election, is continuing to advance. But its successes in the opinion polls had best be greeted with humility rather than arrogance--Ulf Adelsohn is certainly aware that wood does not grow in heaven.

The Center Party seems to have stabilized at a higher level than last spring or in previous years. No matter how much it has dropped in the polls, Thorbjorn Falldin can look back on 1982 with some degree of calm and look forward to the next few years with the same degree of confidence.

Lastly, the Liberal Party: how does its future look?

Uncertain. Difficult times are at hand. But those who believe that the Liberal Party will disappear because of an internal split are probably wrong. There is a core of Liberal-Party liberals who support the Liberal Party through thick and thin. We saw that in 1974, and we are seeing it again now: it involves about 5 percent of the electorate.

There will soon be another election. Less than 1,000 days remain--992, to be exact--before the third Sunday in September 1985.

# SVENSKA DAGBLADET-SIFO Voter Barometer

The long-term trend levels are: Conservatives: 26.9 percent; Liberal Party: 5.6 percent; Center Party: 13.1 percent; SDP: 45.9 percent; and VPK: 4.9 percent.

Which party do you consider the best today?

Eligible voters, 18-70 years of age, stating their party preference	Dec 1982	Nov 1982	Oct 1982	Dec 1981	Dec 1980	Dec 1979
Conservative Party	28.0	27.0	25.5	28.0	25.0	22.0
Liberal Party	5.5	5.0	5.0	6.0	8.0	9.5
Center Party	13.0	13.5	14.0	11.0	12.0	16.0
Social Democratic Party	45.0	45.5	46.5	47.0	47.0	44.5
VPK	5.5	5.0	5.0	4.5	5.0	6.0
Other parties	3.0	4.0	4.0	3.5	3.0	2.0
Eligible voters with a party preference	100.0	100.0	100.0	100.0	100.0	100.0
Percentage of voters casting blank ballots or declining to state a party preference	4.5	3.5	4.0	6.5	5.0	4.5
(Number of citizens polled)	(1,437)	(1,002)	(2,192)	(1,007)	(1,007)	(1,002)

Interviews for the most recent month were conducted during house visits from 24 November to 14 December.

The answers were given in the form of sealed ballots. In the September 1982 election, the Conservatives received 23.6 percent of the vote, while the Center Party received 15.5 percent, the Liberal Party 5.9 percent, the Social Democrats 45.6 percent, and the VPK 5.6 percent. The figures in the voter barometers should be compared with each other, however, and not with the election results: the reason is that the oldest eligible voters are not interviewed, not everyone with a party preference votes, and the intention to vote varies among the parties. The figures are rounded off to .5 percent.

No attention should be paid to changes from a trend level (see above) that are less than 2 percent for the Social Democrats and Conservatives and less than 1.5 percent for the other parties. It should also be remembered that isolated changes in a series do not necessarily indicate a new trend. (The table is Copyright: SIFO and SVENSKA DAGBLADET, GÖTEBORGS-POSTEN, SKANSKA DAGBLADET, and ARBETET.)

## Reaction Against SDP Asserted

Stockholm SVENSKA DAGBLADET in Swedish 27 Dec 82 p 2

[Editorial: "Aim for 1985!"]

[Text] None of the changes in today's SIFO report lies outside the margin of error when compared to last month's report.

But if we look at developments since the election, a few observations are nevertheless in order.

The Social Democrats have experienced none of the increase that usually occurs after an election victory. If anything, there has been a slight downward trend.

The Center Party is losing ground with every poll.

The Conservatives have done well and are now at a record high.

The nonsocialists combined are now slightly ahead of the Social Democrats alone. But the latter have the Communists, of course, on whom they certainly cannot rely entirely in the parliamentary game, but whom they themselves obviously include in their government's backing.

As we have maintained several times recently, the Social Democrats have no reason to view the future with great confidence. Last fall's results were anything but a success. The government has attracted a great deal of attention because of its fumbling, carelessness, and arrogance. Even more serious is the content of the decisions that have been made.

No sane person can deny what is right in the government's chief starting point, which is that the Swedish economy must be put in order through measures that must unavoidably become noticeable to large groups of citizens.

What can be objected to in the government's policy, however, is that its austerity measures are in glaring contrast to the promises of good times that the Social Democrats spread in their wake during the election campaign and that rather than being suited to its purpose, the emergency policy being pursued by the government militates against its alleged purpose. Instead of allowing scope for the business community, which must be the driving force as we work ourselves out of the crisis, the government has subjected it to taxes and confiscatory fees on top of the ever-present threat from the plans for wage earner funds.

Instead of cutting down on public spending--the Swedish economy's most serious illness--the government has one-sidedly hit individual consumers and private business. This fall's economic policy has involved the greatest socialization of the economy's resources within living memory.

Some time will be required before the voters feel the effects. But when they do, they will react. They will react against the government, and a significant



number of them will probably also react in connection with the wage negotiations. It may be that this year's wage negotiations can be brought to a reasonably sensible conclusion, but what about next year?

Opinion polls during the period immediately following an election are mostly of theoretical interest. The situation in Parliament is quite stable, especially now that the situation between the government and the VPK has been cleared up: the VPK forced Palme to his knees in December. Palme would rather put up with that situation than risk his hold on the government by resigning or calling a new election. So most indications are that Sweden will have Palme's minority government until the 1985 election.

With that prospect before us, today's SIFO report is totally unserviceable as any kind of election forecast (and incidentally, such reports should never be used in that way).

The nonsocialists should concentrate calmly on the 1985 election. They can reasonably regard themselves as being in a situation similar to the one that existed after the elections of 1970 or 1973, when long-term work eventually resulted in a change in government. It ought to be possible to repeat that process. The means to that end are called joint opposition.

In the opposition, the nonsocialist parties ought to take advantage of every opportunity to let it be known when their viewpoints coincide. Joint action with no exceptions would not serve the purpose--it is obvious that the parties should emphasize their own profiles. But nothing is to be gained from an aggressive polemical situation among the nonsocialist parties. And when it is possible, joint actions should be engaged in.

The voters must be given new confidence in a nonsocialist alternative.

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## COMMUNIST PARTY SUFFERS DISSENSION, LOSS OF SUPPORT

Zurich DIE WELTWOCHE in German 19 Jan 83 p 17

/Report by Maya Jurt: "Revolutionaries Have Turned Conservative"/

/Text/ Another crisis is rocking the Swiss Communists. Some members of the Geneva Labor Party are taking their hats to leave. Is the party dying of old age?

In October 1980 the Vaud POP /Popular Workers' Party/ lost part of its young Turks who left in disgust. Now the crisis has gripped the Geneva PdT /Labor Party/, because some members think the party ossified, not sufficiently aggressive and missing the spirit of the age. As yet the "dissidents" cannot agree whether to make a public fuss and vociferously exit from the party or--since local Geneva elections are imminent and National Council elections due next fall--whether to simply check their combative spirit while staying in the fold.

Still, the crisis persists, even though the party leaders pretend not to know. "What is happening now is worse than a crisis; it is the departure of an entire group of people who have devoted much time and effort to the party in the past," says a member who simply retired from active commitment but does not yet intend to resign.

It is quite evident that militant environmentalists, nuclear power opponents, feminists, squatters and other revolutionaries no longer feel at home in the PdT. No other party on the Geneva political stage is so conservative, so insistent on pandering to its traditional constituency, so eternally anxious to observe the democratic rules of the game. "In Zurich I would have a hard time to be a party member. The communists there are completely isolated and therefore able, in theory of course, to change the world all the time. In Geneva we are actively involved in the political process; here we would have little success if we were to adopt extremist attitudes."

These are the words of Senior Councilman Jean Spielmann, appreciated as a colleague by the bourgeois parties also. Spielmann in Geneva, Alain Bringolf in Neuchatel, Bernhard Burkhard in the Jura: They all represent the young guard of the Western Swiss Communists, earmarked to replace such respected men as Geneva's Jean Vincent or Vaud politician Andre Muret.

### Traditional Constituency Dying Out

However, the generation between those who have retired and the future party leaders --Armand Forel in Vaud, Roger Dafflon and Armand Magnin in Geneva--seems at this time to be anxious only to consolidate earlier achievements and not to offend their traditional constituencies. And yet, the traditional constituency of the Western Swiss Communists is dying out--factory workers, retirees on modest incomes, streetcar conductors, garbage collectors. The Geneva PdT is well aware that, following the surge in the canton's service sector, few factory workers now are in fact Swiss. As Jean Spielmann complains, "the Swiss are still much too well off; at this time nobody is interested in direct action. Moreover, people are quite lax about attendance at meetings."

There are always members who turn their back on the party in sheer disillusionment. Jean Spielmann explains this by saying that a Swiss Communist is compelled always to be on the defensive. Not enough that he is held responsible for events in Moscow, Kabul or Warsaw--he is also attacked within the party. For many members the party represents their family and must offer protection and refuge. By the time such new-fangled ideas as environmentalism, youth politics or squatting can be absorbed, the enthusiastic activists have long lost patience.

### Election Disaster Would Force Change

Where are the handful of "dissidents" to go, who no longer feel comfortable in the Geneva PdT? One of them says "the same people always meet for Third World discussions, foreign workers' evenings and district events. We might set up another party. But that seems quite unrealistic. The moment we want to do something definite, everyone is intent on pushing his own pet concerns."

And what is to happen to the party of labor? At some time or other it, too, will have to adopt a new strategy. Another election disaster might compel the Geneva party to do so this very year.

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## FOREIGN POLICY FOR 1983 DRAWS COMMENT

## Ulman Eyes Turkish-West Relations for 1983

Istanbul DUNYA in Turkish 1 Jan 83 p 3

["From the Window of the World" column by Haluk Ulman: "Turkey and the West as We Enter 1983"]

[Text] As we leave 1982 behind and enter 1983, we see that Turkey remains in the West but outside Europe.

It is a fact that the constitutional referendum held last year and the subsequent start of the process of return to democracy has brought at least a little relief to the political relations between West European countries and Turkey. However, some of the implementations of the post-12 September administration as well as some clauses of the endorsed constitution pertaining to human rights and freedoms, certain characteristics of the form of government envisaged by the constitution and the restrictions brought against political rights continue to raise doubts among socialist and social democratic parties and organizations where these parties have strong influence. Meanwhile, although the process of return to democracy has begun, the Consultative Assembly has still not reached a final decision on Turkey's place in the Council of Europe and its future.

On the other hand, the main difficulty in relations with Western Europe stems from economic issues. The West European countries, as a result of the economic stagnation they are experiencing, are not only delaying the financial assistance they are supposed to provide to Turkey within the framework of the EEC, but also they are continuing the restrictions they have imposed on Turkey's textile products and intermediate goods exports to EEC countries. Consequently, their hiding behind the political pretexts I mentioned above--instead of telling the truth--is not very credible. The delay, also for economic reasons, of the assistance to be provided to Turkey through the OECD is another issue of disagreement between Turkey and the West European countries.

In contrast to the relations with Western Europe, relations between Ankara and Washington are experiencing one of their warmest periods--at least at the administration level. There is no doubt that the liberal public opinion in the United States also has its doubts about certain implementations of the Turkish administration and certain aspects of the new constitution. But this has no

significant effect on either the Reagan administration or the majority viewpoint. Furthermore, the Reagan administration supports Turkey's process of return to democracy with more faith and sincerity than other Western countries. Turkey's main difficulty in the United States arises from the continuing Greek influence in the U.S. Congress. As a result of this influence President Reagan cannot realize his wish to have the U.S. assistance to Turkey increased even by a small amount.

The most important development in Turkish-American relations last year was undoubtedly the agreement signed between the two countries on the repair of certain airfields in Turkey and the construction of new ones. It is being insisted that these are airfields to be used within the framework of NATO and that they have nothing to do with the Rapid Deployment Force that is being developed by the United States to insure the security of the Persian Gulf. However, the fact that NATO itself has slowly begun turning away from its insistence to restrict its commitments to the defense of the North Atlantic region and, in particular, the fact that during the two most recent NATO ministerial meetings the member countries stated that they cannot remain indifferent to the security of certain regions outside the NATO defense perimeter mean that doubts in connection with these airfields may eventually be justified. In particular, the statement at the latest NATO meeting to the effect that any country may volunteer to help the United States on this issue is a development that can reinforce these doubts.

At the top of Turkey's big problems with the Western world last year was Greece. Although Turkish-Greek disputes did not turn into a hot conflict during Papandreou's year-old tenure, relations between the two countries were seen to be deteriorating. The standstill in the intercommunal talks in Cyprus, Papandreou's invalidation of the provisional agreement (the Rogers Plan) on command control areas in the Aegean reached during Greece's return to the military wing of NATO and the return to the insistence on 10-mile airspace around the Aegean islands--despite the vague and meaningless moratorium said to have been reached at one time--worsened the relations between the two countries.

It appears that Turkish-Greek relations will get even more tense in the future. Because it appears that Papandreou will try to apply the provisions of the UN Law of the Sea Convention--concluded in mid-1982 and approved at the end of the year--pertaining to territorial water limits and landlocked seas to the Aegean sea despite the special characteristics of that body of water. He has already begun to consider the body of water between two islands as a strait and to demand that transit through such waters be subject to the provisions of transit through straits.

#### Atay Offers Impressions of 1983 Foreign Policy

Istanbul TERCUMAN in Turkish 3 Jan 83 p 4

["This Is Earth" column by Zafer Atay: "Turkey-83"]

[Text] From a perspective of foreign policy, Turkey entered 1983 carrying the burden of serious problems. But 1983 appears to offer more hope for the overcoming of difficulties and resolution of bottlenecks. Because it is clear that a Turkey which has achieved domestic stability will have an easier time defending its rights on international platforms.

The biggest problem that was carried over from last year is undoubtedly that of the Aegean. Greek Prime Minister Papandreou has once again fired up the Aegean issue in an effort to cover up his domestic failures with a foreign adventure. He has cut off the dialog with Turkey and has brought the issue to a very dangerous point.

The "gentlemen's agreement", which was announced with great hopes, has been invalidated by Greece and has been replaced by Papandreou's increasingly virulent ravings. Papandreou has said many things, from alleging that the Aegean is a Greek sea to mumbling about disasters in Little Asia (Anatolia) and Izmir.

Papandreou has signed the UN Law of the Sea Convention. In 1983, he will continue his program of pulse taking that he started last year to find an answer to the question: "What will Turkey do if Greece declares its territorial water limits in the Aegean as 12 miles?" His allegations that Turkish planes have been violating Greek airspace and his aspiration to control the transit of ships passing through waters between Aegean islands by saying that "transit areas between Aegean islands are straits" are examples his attitude. Let no one have any doubts that Papandreou will come up with other similar shows.

Greece has been given the necessary response for what it has done. We believe that Papandreou will not have the courage to raise Greek territorial water limits in the Aegean to 12 miles. Because there will be those who will not permit Papandreou to throw his country into the fire for his own political ends.

Despite everything, Turkey is saying that it is open to dialog. It is now Papandreou's decision.

Meanwhile, the Council of Europe, which has been giving Turkey a hard time since 12 September 1980, has softened its attitude. Turkey's successful implementation of its democracy schedule has smoothed out certain sharp edges in the Council of Europe. The report on Turkey to be submitted to the general assembly of the council in the coming weeks is expected to have a moderate tone. The viewpoint of certain common-sense groups within the Council to the effect that attempts to push Turkey to a corner is meaningless is now being endorsed by the other members.

It appears that Turkey-EEC problems will be more difficult to resolve. The relations between Turkey and the EEC, which have come to the point of breaking down as a result of political and economic disputes, cannot be expected to improve overnight.

Political maneuvers have undoubtedly had a role in part of the restrictions imposed by the EEC on Turkey. But in our opinion, the restrictions are largely protective measures taken by the "partnership" that is suffering from serious economic problems. Turkey's resistance against injustice, which was manifested by the imposition of customs duties on goods of EEC origin, has increased our bargaining power.

The battle against foreign-based terrorism and the issue of armed conflict on the outskirts of our borders will undoubtedly remain on Turkey's foreign policy agenda in 1983. But despite everything we are hopeful that 1983 will be a better year.

## RIFLEMAN COMMANDO GROUP PLAYS ROLE IN AIR-BASE PROTECTION

Paris AIR ACTUALITES in French Nov 82 pp 36-38

[Article by Bruno Lacroix and Thierry Debaille: "The Air Commando Rifleman and the Defense of Bases"]

[Excerpts] Over the years, it has appeared necessary to specialize some units responsible for protection of our air bases and to train personnel capable of taking rapid action to strengthen the means of defense in place.

To meet this need, the Air Rifleman Commando Group (GFCA) was formed at Nimes on 1 August 1976, succeeding the Rifleman-Commando and Intervention Squadron.

#### The GFCA

"The Air Rifleman Commando Group is responsible for definition and application of the Air Force's protection doctrine." In other terms, its primary mission is to conceive a general defense system and adapt it to each particular case. Thus, each base requires specific protection.

Before 1976, only the air bases supporting nuclear air units had a protection squadron. Gradually, through increases in the personnel strength involved, the protection sections of all bases have become squadrons (EP's).

In September 1979, the GFCA was reorganized, and its command and "general staff" were installed at the Nimes Courbessac base.

#### Four Cells

The GFCA's general staff comprises four cells, corresponding to the areas in which they exercise their functions within the framework of protection and defense of the bases.

The first of these cells, called "operations," is responsible for coordinating the rapid actions for strengthening the protection of the Air Force's sensitive points, whether in metropolitan France or overseas. In addition, it ensures the operational condition of the GFCA's units, especially by parachute training.



The "instruction" cell has responsibility for definition of the initial specialized instruction and the advanced training of all of the Air Force's rifleman-commando personnel and dog-handlers.

A "personnel" cell is assigned the GFCA's personnel-management role for the personnel under its authority. It provides the monitoring of all of the Air Force's protection and defense personnel.

The fourth and last cell, "evaluation-experimentation," is responsible for defining the doctrine of use of personnel and protection materiel, for monitoring proper application at all of the country's bases, and for trying out new techniques and materiel.

In addition to the four cells, the commanding officer of the GFCA has advisers available to him in the medical, technical and administrative fields.

## 22 Units

Under the command of the GFCA, and distributed among 19 bases, are 22 units with "instruction" or "operational" function. The biggest of them, the Air Rifleman Commando Subgroup (S-GFCA), has at its disposal, for its twofold "instruction-operation" function, the Rifleman-Commando Training Squadron (EFFC), the Rifleman-Commando Instruction Center of the 4th Air Region, and the Protection and Intervention Squadron (EPI)--all three stationed on the Nimes-Courbessac base--as well as the Air Force Dog-Training Technical Center (CICAA) installed at Apt.

The personnel-instruction mission has devolved (except for the S-GFCA) to the CIFC's [expansion unknown] of each Air Region--Drachenbronn (FATAC [Tactical Air Force] 1st RA [Air Region]), Evreux (2nd RA) and Saintes (3rd RA)--to the rifleman-commando instruction detachments at the Air School of Salon and at the Flying-Personnel Basic-Training School at Aulnat.

As for the operational function of the GFCA, it is represented by the protection squadrons installed at the air bases.

In addition, there is a detachment at the mobile Air Command Post of the FATAC 1st RA. Finally, there is an operational and honor unit, the Rifleman-Commando Squadron of Saint-Cyr-l'Ecole, whose responsibility is a representation role on the occasion of visits by chiefs of state, etc.

## Nimes, Crucible of the "Fuscos"

As we have seen, protection of the bases is the GFCA's business. Before going into the various steps in the course of the career of the defenders of our bases, it is advisable to go into a bit of detail about what constitutes its biggest unit, the Air Rifleman Commando Subgroup. Like the Group that it comes under, it provides for two functions--on of training, the other of action--by means of the four units mentioned above:



- the Rifleman Commando Training Squadron, responsible for initial professional training or advanced training of all cadre personnel;
- the only unit not based at Nimes--the Air Force Dog-Training Technical Center--installed at Apt, responsible for specialized, initial and advanced instruction of dog-handlers;
- the third, the CIFIC of the 4th RA, for instruction of the rifleman-commando conscripts and dog-handlers of that Air Region, and of recruits considered suitable for the position of unit sergeant in the protection units, by the ESOR (Reserve Noncommissioned-Officer Cadet) route;
- the fourth and last unit of the Subgroup, the Protection and Intervention Squadron, responsible, as a parachute unit, for reinforcing the Air Force's sensitive points.

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## ROLE OF WEATHER SECTION IN TACTICAL AIR SUPPORT

Paris AIR ACTUALITES in French Dec 82 p 17

[Excerpt from article by Francois Bry: "Mirage Mission '3 Yankee 401' in Support of 3rd Armored Cavalry"]

[Text] The Air Support Operations Center (COAA) must not only keep track of the fire-support operations and know what aircraft are on alert and their action capacities, but also know what the short-term (12 hours/24 hours) weather situation will be in the combat zone and beyond.

That is why the COAA has a weather section whose role is to provide it with all the necessary elements. Installed alongside the Tactical Signaling Group (GTT), this section thus has the necessary signaling facilities at its disposal.

On the occasion of the "Langres 82" exercise, we met the officer commanding the weather section:

"I inform the Operations Center about the 'color' of the zone (a code of colors --red, yellow, green and blue--makes it possible to visualize rapidly the weather conditions for air support). We also inform the ALAT (Army Light Aviation).

"In the field, I stay in liaison with the National Weather Bureau, which transmits surface-situation maps to me by facsimile. But through the COAA, I also receive complementary intelligence, sometimes in the raw state--'it is raining, it is not raining,' etc--coming from the Air Tactical Direction Posts (PDTA's). This helps us a lot and enables us to give a 'finer' description of the situation in the zone.

"Our role is to furnish concrete intelligence that is directly exploitable, both for our squadrons, the ALAT and the Army. Thus the weather section has to be in a position to answer questions such as 'We are attacking tomorrow in a semi-floodable zone; can we launch this armored attack without bogging down?' or 'What will the visibility be at 0800 hours tomorrow for fire-support in such and such a zone?'"

The weather section fits into one truck, in which the teletypes clatter and maps are put up with data incomprehensible to the uninitiated. It does not take up much space, but it plays its role!

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## BRIEFS

TRANSALL MAINTENANCE FACILITY IMPROVED--GERMAS--Specialized-Materiel Maintenance and Repair Group 15/061, responsible for Transall 2nd-echelon maintenance --is currently increasing its reception capacity in order to receive the second-generation airplanes with which the 64th Transport Wing of Evreux is gradually being equipped. On 5 October, under the direction of the local builder service, the metal structure covering the 6th Transall VP (Periodic Inspection) Station was put up in a spectacular infrastructure operation. The task was to place a 75-ton one-piece framework on top of four pylons 16 meters high. The job, done with the aid of four cranes with 45-ton lifting power, took some 10 minutes. This method, which permits assembly of the framework on the ground, means a financial saving of about 25 percent. [Text] [Paris AIR ACTUALITES in French Nov 82 p 5] 11267

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## DETAILS ON HARDWARE AT DEFENDORY ARMS SHOW

East Burnham ISLAMIC WORLD DEFENCE in English No 1, Jan-Mar 83 p 1

[Text] This year saw the second attempt by a defence-orientated Greek government to put Greece firmly back onto the world's defence map with the Defendory '82 international defence show. Two years ago the port of Piraeus was host to Greece's first international defence exhibition, Defendory Expo '80, and it was decided to hold Defendory Expo '82 at the same venue. Some exhibitors were overwhelmed with visiting delegations and the interest their wares generated; others said they were less than satisfied with the response.

The biggest stir was caused by the unexpected presence of the South African arms concern, Armscor (Krygkor to use the Afrikaans). They turned up in force along with an example of their towed 155mm howitzer, the G5, dominating the small outside display area. Not content with showing their howitzer for the first time outside South Africa, Armscor also had a wide range of communications equipment on show, a fire control computer of advanced design, and information about their other products, including ammunition, a 127mm artillery rocket system, the entire range of SAMILL trucks, and the first released details of their new wheeled self-propelled artillery system, the 155mm G6. There was also a small amount of data to hand regarding such exotic items as close-in dogfighting missiles for highspeed aircraft, ECM systems and frequency-hopping radios. The South African exhibits appeared to be of excellent quality, a necessity if their advent into the world's open defence markets is to have any success. The South Africans have no qualms regarding the political and other problems they will face and are determined to make their sales mark. Already their market research and investigations have indicated possible sales areas in South America, parts of Africa and the Far East. After a long period clandestinely selling small items such as radios, Armscor is now in the open market and it has obvious intentions of staying.

There were a total of 260 stands occupied by exhibitors from 20 countries, and the listing of invited delegates was about 12mm thick. Some contributions, such as that from Italy, were government sponsored while other countries formed consortiums and presented national displays—the Netherlands was a good example. Visitors found it impossible to miss any stand for Defendory '82 was arranged on a ribbon layout so that once in, the visitor was guided around every stand.

The hardware was the main attraction at the show and there was much of it to be seen. A small outside area showed some of the larger items such as lorries and armoured vehicles, including two new Italian armoured vehicles, the OTO R2.5 Gorgona, a command or light combat vehicle, and the OTO R3 light personnel carrier. Both use the same chassis and power train and differ only in body design. Inside the building there was a strong Italian presence with many new small-arms, and the French (who were numerically the largest exhibitors) displaying the full range of their combat equipment.

Despite the international aspects, Defendory Expo '82 was the shop window of the Greek defence industry. Greece spends a large proportion of its national expenditure on defence and over the last few decades has been built up from virtually nothing to a relatively advanced state, thereby greatly reducing Greece's dependence on imported weapons. The largest concern is the State-owned Hellenic Arms Industry SA who now produce a wide variety of weapons and support equipment. In building such an advanced industry Greece has become involved with many foreign defence industries. Perhaps the most important of these has been the close association with the Austrian Steyr-Daimler-Puch which has enabled Greece to establish an automotive industry capable of building military trucks and even armoured personnel carriers. A small-arms facility

has been established by an association with the West German Heckler and Koch.

Although these links with the arms concerns of other nations have enabled the Greeks to build up their defence industry fairly rapidly, the situation is not without its problems. It is necessary for weapons to be exported if the Greek defence industry is to become viable. Yet sometimes the Greeks find themselves in direct competition with their former associates who have the advantage in expertise and market knowledge. Also, political restrictions placed on foreign associates often involve the Greeks in unwelcome embargos.

But this does not stop the Greeks trying to set up and face the harsh realities of the defence market place. To date, most of their produce has been locally-assembled examples of established equipment but they have now taken the important step of designing their own armaments. Their first exploit into the design market is a worthy effort—an air defence weapon. Artemis 30 is well worth a close inspection.

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## COUNTRY'S FIRST SATELLITE TO BE LAUNCHED IN 1984

Stockholm DAGENS NYHETER in Swedish 21 Dec 82 p 15

[Article by Eric Dyring]

[Text] Viking (Sweden's first satellite of its own) is currently being assembled at Saab-Scania in Linkoping. After a great many stiff trials and tests, it will be launched into space in the fall of 1984 from French Guinea [as published; presumably French Guiana intended].

Viking will try to find out how the electrons forming the northern lights at an altitude of about 200 kilometers attain their high speeds. This is believed to happen at an altitude of about 15,000 kilometers.

It will also depict the northern lights from above in ultraviolet light.

Viking is shaped like an octagonal cake 2 meters in diameter and .5 meter thick. It weighs half a ton. The instruments are located on long rods that will be extended after the satellite enters orbit.

To do its work, the satellite will move up and down like a yoyo between its lowest altitude (822 kilometers) and its highest point--15,000 kilometers above the earth's surface.

It will also move forward in its orbit like a yoyo.

Project leader Per Zetterqvist of the state-owned space corporation says: "It is the cheapest satellite ever built in Europe. It will do a first-class job of carrying out its scientific tasks. We were able to save money by using proven and relatively simple technology."

Per Zetterqvist continued: "We will get a ride into space from the 15th launching of the European Ariane rocket. The chief passenger on that launch will be the SPOT remote-sensing satellite."

Cost: 130 Million Kronor

The project's total cost now stands at just over 130 million kronor, about 85 percent of which represents Saab-Scania's share. But a large amount will go to



the Boeing Corporation in the United States, which built the chassis--the platform for the satellite.

Viking is getting into space because Sweden is concentrating on space technology in its industrial policy. Swedish industry--represented chiefly by L. M. Ericsson and Saab-Scania--is going to develop its know-how. Space is becoming profitable.

The Social Democratic government will continue the concentration on space technology in the upcoming budget bill with an allocation of 1 million kronor in fresh new money.

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